









# What's good about this autumn

by CHRIS DUNKLEY

In his invaluable *Fragments of the Past*, Leslie Halliwell, chief movie buyer for the ITV network, says of Robin Hood: "The legendary outlaw leader of Plantagenet England is one of literature's most oft-mimed characters. There were film versions in 1908 (GB), 1912 (GB), 1912 (U.S.), 1913 (U.S.), 1913 (GB), and so on, via the Fairbanks version of 1922 to the 1951 production with Richard Greene who not only played the part in the feature film *Sword of Sherwood Forest* but also starred as Robin in 165 half-hour television programmes.

Those programmes of Greene's are some of the first television I can recall watching and—as I remember them, anyway—they make an intriguing contrast with the new version which is now running as BBC1's daytime serial on Sundays. Hollywood has always re-created former periods of history in the current idiom, so that 1920s Renaissance sets, costumes and even attitudes are recognisably different from 1950s or 1970s Renaissance sets, costumes and attitudes. Television has been with us long enough now for us to see that, unsurprisingly, it has the same habit.

The memory of the 1961 version of Robin Hood is one in which Richard Greene had a perpetual smile on his shinningly shaven face; a sword fight, a fight or an ambush (with battalions of men diving from oak trees) was always in progress; and black was black, white was white, and the sheriff and his men very nearly left some trails behind them.

Short of turning the Sheriff and Guy of Gisbourne into the heroes and Hood into the villain, the current BBC version could hardly be more different. Here Martin Potter's Robin Hood is a serious faced, introverted young man with the straggling hair and the wispy beard and moustache of the rebellious art student. As interpreted by Potter, script-editor/writer Alistair Bell, and director Eric Davidson, there is in this outlawed Earl of Huntingdon more of the Angry Brigade or L'Etranger than Dick Turpin or Father Christmas.

The introduction of far more than usual subtlety and tone into Robin's relationship with the King, and the King's relationship with his mother and brother, is (somewhat surprisingly) highly successful. This is the first Robin I have seen which, instead of being just a rattling good yarn—and it is still that—promises to become quite a revealing drama too.

The youth of all the protagonists other than the Abbot comes as something of a shock,



Tony Britton, Ann Firbank and Rhoda Lewis in 'The Nearly Man'

but then policemen and teachers keep getting younger as well.

In re-working another classic British story for BBC2, Hugh Whitmore has not produced any such striking contrasts with previous productions. His *Moll Flanders* (second and final part tonight) is not the 18th century fighter for women's lib which a 1975 adaptation could so easily and so wrongly have turned her into. It is true that we have seen a great deal more of Julia Foster's anatomy than we were ever allowed to see of Kim Novak's in 1965 (for example) but apart from this there is no obvious way in which the production has been up-dated for the 1970s.

Those who complain habitually about the liberties that television takes with their favourite authors—Trollope, Shakespeare, Flaubert or whoever—and who write letters of scorn and bitter complaint when their hero or heroine is seen wearing an item of clothing not specified by the author will no doubt rejoice at this lack of trendiness. I, on the other hand, wonder whether there is not always some scope, more with some authors than others, for the eternal truths of any classic work to be presented in a way which is particularly apposite to the age.

One aspect of this production worth special notice is the contribution made by the Waterstones. No better group could have been chosen for the unac-

panied singing of Martin Cathy's arrangements.

There is a scarcity of good (and even bad) modern drama about modern politics and politicians on television. If there has been more than Dennis Potter's *Vote, Vote, Vote* for Nigel Barton and Edmund Ward's *The Challengers* in the past 10 years it has not been impressive enough to be memorable. All credit, therefore, to Granada and Arthur Hoppcraft for developing his single play of *The Nearly Man* into a series, and one which not only takes politics and politicians as its subject, but assumes that the viewer is quite ready to see the subject treated seriously.

Unfortunately, two mistakes are being dragged down. The first is the failure to deal with specific political events and particular problems (real or fictional—it is immaterial) and the concentration instead on very broad and really rather vague political philosophies. The second, and much the most important since it makes the series almost unwatchable at times, is the habit of having the participants declaim speeches at one another so that they sound like modern actors imitating Victorian "thespians" rather than like people talking.

These days even the most penetrating politicians are not heard using phrases such as "an ingrained terror of humiliation, perhaps; that's the politician's unifying phobia," and when poor

Ann Firbank is called upon to deliver a sentence such as "So we don't know, the two of us, how long we have to stay in our separate rooms; separate lives" there is absolutely nothing she can do about that stilted syntax. Coming off the screen it is just as though she has said "So we don't know, comma the two of us comma how long we have to stay in our separate rooms semi-colon separate lives."

What a marvellous treat it was in a week of foul winter nights to be able to climb into bed and watch films of such quality as *Hawks' Bringing Up Baby*, and *Capra's The Bitter Tea of General Yen* and *Mr. Deeds Goes To Town* on successive nights. Using a modern television with an earphone it is even possible to do this without disturbing anyone else who wants to sleep.

In some quarters I have a name for being "against" old movies on television; a name which has been tied onto me because I have in the past complained about the absurd effects which can result from "optical rationalisation" of wide-screen films (that is, squeezing them sideways to fit a TV screen) or from bad "scanning" (the alternative system in which—theoretically—the projector is continually "scanned" horizontally to select for transmission the most important part of the picture).

I still say that these techniques, particularly when used ineptly, can spoil a good film, and I still say that to be properly appreciated as their directors intended,

some great old movies (several of Eisenstein's, for example, several of Ford's) and some great modern ones (2001 for instance) have to be seen on a larger-than-life screen in a cinema and not on a smaller-than-life screen at home.

But I am very far from being "against" old movies on television. When the picture fits the TV screen, as *Hawks' Bringing Up Baby* and *Capra's do*, and the element of sheer size is of no great significance, then I am all for them—particularly if they are as funny as *Bringing Up Baby*, though that is difficult. What a pity that the 80-minute documentary in the American series *The Men Who Made The Movies* accompanying this week's *Capra* season was such an uninspired catalogue of clips. It could so easily have set us all off looking for common or contrasting themes in his works. Instead of which it simply lifted some of the best bits from each of the films and piled them up like an indigestible American sandwich. It also tended to give away the plots which is never a good way to introduce any film.

Either great minds think alike or, as I believe, there is a remarkable lack of originality in choosing programme titles: at 3.00 p.m. on Tuesday BBC2 broadcast a programme called *What Did You Learn in School To-day?* At 12.10 ITV broadcast a completely different programme called *What Did You Learn at School To-day?*

## Oxford Playhouse

## Uncle Vanya

by B. A. YOUNG

In the fashionable way, the programme prints extracts from Chekhov's letters that insist on the comedy of his plays rather than their drama. And as usual, although the director, Gordon MacDougall, has done his best, it is the drama that grips us, with the comedy acting, as comedy should in such conditions, as a lubricant. The fact is that, passionately as he believed in this thing, Chekhov was wrong. His plays are not comedies, they are dramas about comic people, and this is not at all the same thing. There is nothing particularly comic, to take a parallel, about the down-  
 of Serebryakov may be a man to strike amusement from an audience, and Edward Jewesbury's performance, like an animated Victorian photograph, performs this effectively. But what he does in the play—condemn his wife's family to a lifetime of misery to maintain his superior standard of living—is horrible, and Vanya's reaction to the suggestion that the estate should be sold for the old man's benefit, culminating in his two ill-aimed revolver shots, only arouses the

same kind of laughter as a Frankenstein or Dracula tale, arising from a sense of relief that these things are happening to other people and not to ourselves. Richard Wilson as Vanya, pouring suddenly into the scene the passion that has been masked till then by his endless boredom, makes it fine and moving but yes, funny as well in its genre. In Anton Rodger's hands Vanya has an admirable air of detachment from anything but trees and, occasionally, medicine. The sudden surrender in his weakness for Yelena (wonderfully beautiful and vacuous in Amy Nissen's performance) is properly suggested more in his conversation than in his manner, though she doesn't put up much resistance. Gabrielle Lloyd's Sonya, on the other hand, has love pouring out of her eyes when she looks at the doctor, and though she has done all she can to suggest pliancy by wearing simple clothes and dressing her "beautiful" hair in a simple style, she can't help radiating a kind of spiritual charm that splits her into a physical equivalent.

The costumes are presumably

the work of the designer, Saul Radomsky, who has meticulously set the play in a wood-panelled sitting-room that must have given Astrov constant pain. They all look rather newer and better kept than I would have imagined in this rustic backwater; but doubtless the combined efforts of conscientious Sonya and Rosamund Greenwood's lovely old Nanny kept things going, and doubtless the erect and authoritarian Voinitskaya of Margery Withers ensured that they did.

For the most part the play is taken very slowly. Only the working class—Nanny and the doctor—the factory—move at more than the pace of treacle dripping from a spoon except at the moments of emotional crisis, which are thereby given extra strength. The last scene of all, with Sonya resting her head on Uncle Vanya's lap and promising that they shall find peace, is incredibly slow, a rallentando to end all rallentandos. Suggesting as it does a relapse into another 20 years of unbroken boredom, it works very well.

The translation used is Ronald Hingley's, fluent and up-to-date but given sometimes in such excesses of current use as "become" "psychopath" and "scrumping".

## Bush

## The Kid/Moby Dick

by MICHAEL COVENEY

This fringe theatre, which has had such a good year (its third good year on the trot) marks time this week with a double bill more worthwhile than illuminating. *The Kid* by Keith Wood features John Carter as a family to a lifetime of misery to maintain his superior standard of living—is horrible, and Vanya's reaction to the suggestion that the estate should be sold for the old man's benefit, culminating in his two ill-aimed revolver shots, only arouses the

There have been better plays about *The Kid* (Michael McClure's *The Beard* for common or contrasting themes in his works. Instead of which it simply lifted some of the best bits from each of the films and piled them up like an indigestible American sandwich. It also tended to give away the plots which is never a good way to introduce any film.

own debris as the "left hand" at a hillbilly shindig before helplessly summoning a *fantasy maid to clear up behind him*; and there is humour in the removal of Billy's dreamworld to a contemporary setting with the hero quizzing himself on his own birthdate in a comic book. But the play rattles too much and leaves little to savour or enjoy. Keith Johnstone's half-hour *Moby Dick* sketch follows like a breath of fresh air: Derrick O'Connor and Anthony Trent play master and servant in a lunatic quest for the former's escaped sperm—his one chance of a male heir. Abounding in felicitous lines that would not disgrace Ken Campbell, the abashed duo's hunt turns into a mission of revenge on the high seas once the master's leg has been savagely bitten by the halloping monster, and the Pinocchio-style conclusion (with Freudian overtones) is played with great gusto and delight, fully maniacal goonery. The event is a small pleasure (as was the master's feeling for his daughter) and is keenly imagined, effectively as an assault on our sympathy. I liked the image of the collapsing sharpshooter prancing dangerously among his

of mackintoshes.

## New Ashton ballet

Sir Frederick Ashton's first major ballet for The Royal Ballet since his retirement in 1970 has its world premiere at Covent Garden on February 12. A one-act ballet, *A Month in the Country* is freely based on Turgenev's play, and set in three orchestral pieces by Chopin arranged by John Lanchbery, who conducts the first three performances. It is designed by Julia Trevelyan Oman. Casting includes Lynn Seymour as Natalia Petrovna, Anthony Dowell as the Tutor and Wayne Sleep as her son.

## Campaign for Harwich Electric Palace

A campaign has been launched to save the Electric Palace Cinema, Harwich. The building is 64 years old and a unique example of early cinema building and operation. The sum of £30,000 is needed to restore, develop, improve and operate the theatre and this will be administered by a trust under the patronage of Sir John Betjeman.

## Frankfurt Schauspielhaus

## The Inconstancy of Love

by RONALD HOLLOWAY

Molière is such a dominant figure in German repertory—the ranks in popularity behind Shakespeare and before Schiller—that many here tend to forget that the Comédie-Française has other stars in its firmament equally worthy of attention. But the Frankfurt Schauspielhaus over the past few seasons has made a purposeful effort to spotlight the classics, old and new, against the proper critical background. Thus, whether one agreed or not with Peter Paulitsch on Lessing, Hans Neuenfels on Ibsen, Peter Löscher on Strindberg—to name but a few examples—the experience struck because minor roles and details were as vivid and vital as, say, the title figures at stage centre. Luc Bondy's production of Pierre-Carlet de Chamblain de Marivaux's *The Inconstancy of Love* (following the German success of *Die Unbeständigkeit der Liebe*, of *La Double Inconstance*) is no exception: we are reintroduced to a classic that has much to say to us in these permissive, searching times.

The plot of *La Double Inconstance* on exchanging love partners draws its energy from "commedia dell'arte" master-servant characterisations, written in 1723. Marivaux was then depending heavily on an Italian company housed in Paris, which was to stage two-thirds of his 30 plays. The lady, Silvia, is loved by the Prince but she is in love with Arlequin; the Prince hires Flaminia, a girl of the same station as Arlequin, to seduce Arlequin, and thus a change of affections is brought about. Marivaux simply, but cleverly, notes that the idle rich and has its effect in portraying tend to fall in and out of love, without ever knowing their true feelings at any one time.

The play's most striking quality is how fickleness can carry the action through without resort to props or dramatic climaxes: if there are moments, they are fashioned from the stuff of delicacy and psychological insight. *The Inconstancy of Love* is more talk than anything else, but talk of a highly stylised nature with a total absence of guffaws, clowning or burlesque, as in Molière and Beaumarchais who decorate comedy like two royal bookends.

Marivaux wrote for the literary salons back in Paris, centres of sophistication after the stranglehold of Versailles was broken by Louis XIV's death. He specialised in affected, non-passionate love-making—his speech was tagged as *marivaudage* (mostly due to the licence of his imitators)—that had innocents awakening to love in some fantastic surrounding a breath away from the immediate rococo idyll, to paintings chosen as finalists, Sunday evening, January 25.

## Festival Hall

## Messiah

by GILLIAN WIDDICOMBE

We stood for the "Hallelujah" chorus; the alto arias were taken by counter-tenor; and the Lord of Hosts sang "Yet once a little while . . ." So in many respects it was simply the Goldsmiths Choral Union doing their annual *Messiah*. However, the GCU is in good form these days, thanks to Brian Wright, their lively, young and untraditional conductor. And though both edition and execution were roughly the same as a year ago, last Monday I found much to enjoy and savour.

Possibly the choir has grown a little larger—an uncountable number, say nearly 150. But they sing with light, detached, airy phrasing, and even tone. The male soloists have a strong, and declared "The Lord gave the word" in a bold fortissimo free of the usual blast of an amateur ensemble. Mr. Wright manipulated the work with care and sensitivity. (He is not one of our two-tempo choral conductors—rejoice greatly!) For example, the different sections of *The King of Glory* were separated with interest and flexibility. Wright uses a small instrumental ensemble: seven first

## Almost Free

## The Long Night

by B. A. YOUNG

Diana Fairfax is all the cast of Iain Blair's play *The Long Night*, the latest in this theatre's season of plays by new British writers. She sits at a table with coffee on it and candles and a book. Three windows behind her are covered with red velvet curtains. Lighting the candles she prowls around her room like Natasha in *The Three Sisters*; then, touching a switch, she summons up an image of Greta Garbo. Ruth is her name. Her story, when she tells it, goes like this: Her mother bore her to a blonde, blue-eyed airman hero who was killed flying over Germany; he was not the man Ruth called "father." Ruth has become a film-actress with an obsession for Garbo, whom we see as Canille, Queen Christina, Anna Karenina, projected on the walls of the room. We never see Ruth's mother, though she talks to her all the time, usually to refuse the offer of food. Ruth has had a brief affair with a young man who killed himself with a bayonet when, after a night of sex that (according to her recollections of it) was designed mostly to annoy her mother, she refused to marry him.

It all tumbles out bit by bit, not always consistently. We soon realise that there has to be a key to this jumble of recollections, and a good many of us will be able to forecast what the key is going to be. I shall not reveal it here, but it doesn't matter all that much: what matters is the study of this odd, distracted woman, whom Diana Fairfax plays movingly, having made herself look as much as possible on her natural base like Miss Garbo.

The Director is Jack Emery, the designer Norman Coates.

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## WORLD TRADE NEWS

## Japan told of EEC concern at cut-price shipbuilding

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 2

AN "oral demarche" made by the EEC Commission to the Japanese Foreign Ministry this week is believed to express very strong concern about price cutting and the provision of extremely attractive credit facilities by the Japanese shipbuilding industry.

The "demarche" made a week before a session of the OECD's Working Party on Ships in Paris, apparently included a statement to the effect that the recent behaviour of Japanese shipbuilders could be a threat to the survival of the European shipbuilding industry.

## Paris meeting

The Japanese Foreign Ministry, which received the "demarche" through the Commission's Tokyo office, is not required under normal diplomatic procedure to make a formal reply immediately. But the Commission is obviously hoping that its move will have some impact on the Japanese attitude in Paris next week after the OECD meeting, which is scheduled for Tuesday and Wednesday. The ship issue will be taken up again at the bilateral meeting between Japan and the EEC to be held in Brussels on Thursday and Friday.

The EEC "demarche" was delivered immediately in advance of an industry-to-industry meeting on ships at which European and Japanese shipbuilders will certainly be discussing prices, and possibly also some form of market sharing.

The meeting, which is technically that of an ad hoc committee set up by one Japanese and two European shipbuilding associations, starts in San Francisco tomorrow. Its decisions could alleviate some of the problems worrying the EEC, but the Commission apparently decided not to wait for its message.

The Commission's demarche marks the second recent occasion on which a strong line has been taken with Japan on a bilateral trade issue. The first was the delivery of a note on car inspection problems to the Foreign Ministry in October.

European concern about Japan's ship export performance can be understood against the background of recent monthly figures for the shipbuilding industry, which show a remarkable increase.

The industry secured export orders for 55 ships with a total gross tonnage of 646,000 tons in the second quarter of 1975, but monthly orders from July onwards rose spectacularly, the figure for July alone was 19 ships of 122,800 tons. In August it rose to 37 ships (669,000 tons) and September to 43 ships (826,000).

October orders, according to Japan Exporters' Association, came to 57 ships with a total tonnage of 935,000, or roughly 50 per cent. more than orders for the whole of the first quarter. Only 10 of the ships ordered from the industry in the six months from April to September were tankers—the sector where Japanese shipbuilders have traditionally been strongest, holding around 60 per cent. of world orders. The rest of this year's orders have been cargo ships, where Japan has so far taken second place to European yards.

Japanese shipbuilders justify recent price reductions by making the point that the inflation allowance, which was being included in price quotations up to a year ago, has ceased to be necessary. They also claim that European allegations of price cuts ranging between 30 and 50 per cent. on recent Japanese ship contracts fail to take account of differences in specifications.

Despite that, there have been signs recently of concern by the Japanese Government that some companies have been cutting prices excessively. A medium-sized shipbuilder who secured big orders from a Greek line in September was investigated by the Transport Ministry and warned to exercise "caution" in future contract negotiations.

## Cyprus seeks Gulf trade

BY OUR OWN CORRESPONDENT

MR MICHAEL COLOCACIS, DES, the Cyprus Commerce Minister, said today that a Cyprus delegation which visited four Arab countries last month secured orders worth £2m. He announced that a Cyprus Trade Centre will be established at Dubai to promote Cyprus exports to the Gulf states.

Cyprus exports to those countries would include clothing, footwear, canned goods (mainly fruit juices and vegetables), plastics, building equipment and materials, water pumps, and even trucks and buses assembled in the island.

The Minister saw good prospects also for shipping fresh fruit and vegetables.

## Kuwait may take over American Independent Oil

BY RAY DAFTER

THE KUWAIT Government, which has just completed agreement for the total acquisition of British Petroleum and Gulf Oil assets in Kuwait, is now considering taking over the local operations of the American Independent Oil Company.

The remaining 40 per cent. interest of Gulf and BP in the Kuwait Oil Company is being acquired for a compensation figure of some \$50.8m., according to the latest reports from the state.

The American Independent takeover would be on a much smaller scale. The company, which operates independently of the Kuwait Oil Company in the so-called "neutral zone" between Kuwait and Saudi Arabia, accounts for about 3 per cent. of Kuwait's average daily oil production of 2m. barrels.

Mr. Abdel Mortaleb al Kazimi, Kuwait's Oil Minister, announced the possibility of acquiring the American Independent's interests. He added, however, that Kuwait was not intending to take over another marginal operator, the Japanese-owned Arab Oil Company. He said Arab Oil had a "special position" because it operated neutral zone offshore wells for Kuwait and Saudi Arabia.

Another OPEC member, Libya, has struck large quantities of oil at a test drilling site in western Libya, according to an Al-Jihad newspaper report quoted by the Libyan news agency.

The report added that the find, by the Libyan National Oil Organisation, indicated a large oilfield.

## Swedish paper exports fall 30%

BY JOHN WALKER

STOCKHOLM, Dec. 2

THE MARKET for pulp and paper did not improve during the third quarter, the Swedish Pulp and Paper Association says in its latest report. Production of paper and board, however, is usually seasonally low at that time because of the holiday season.

This year, production dropped sharply as companies tried to restore the balance between supply and demand by ceasing production at the industrial summer holiday period.

Output for the first nine months of mechanical and chemical pulp at 3.38m. tons was 11.5 per cent. below a year

earlier. Deliveries fell 36 per cent. to 2.4m. tons. For the third quarter, pulp industry production was 1.96m. tons, of which 53 per cent. constituted market pulp, a 20 per cent. decline on the year. The steepest drop was for mechanical pulp—33 per cent. Shipments to Western Europe of chemical pulp reached 1.6m. tons, of which nearly 1.4m. tons went to the EEC.

During the third quarter Swedish paper industry production fell 27 per cent. compared with the same period. During the nine months 3.3m. tons of paper and board were produced, of which 2m. tons was exported, but the decrease in exports amounted to 30 per cent. Shipments of newsprint were unchanged, resulting in a 40 per cent. drop in other qualities.

Exports of paper and board to the EEC for January-September declined almost 600,000 tons to 1.5m. tons, one-third of which was newsprint. A substantial part of the fall in exports was accounted for by Kraft paper and liner, which decreased by 420,000 tons.

At the same time, consumption of waste paper for the manufacture of paper and board was 10 per cent. lower at 26,400 tons.

## Hopes rise for Chinese Spey jet engine order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PROSPECTS of an order from China for the Rolls-Royce Spey jet engine, with possible manufacture of that power-plant under licence, are now brighter.

Sir Kenneth Keith, chairman of Rolls-Royce (1971), is expected to visit Peking soon—probably from this coming week—end—for further discussions with the Chinese Government on its future engine requirements.

Whether the Chinese are yet ready to sign a contract is not clear—they have not made their final requirements known.

However, they are believed to be satisfied with the detailed information on the Spey already given them by Rolls-Royce, and with their knowledge of the engine through its performance in the Hawker Siddeley Trident airliners which they already have in service.

The Chinese are understood to be interested in building the Spey under licence because it would enable them to develop an aero-engine capability of their own, thereby ending their past reliance on both the West and the Soviet Union for this kind of technology.

Primarily, the Chinese want the engine for civil purposes. The Spey has been used in the West over the past 15 years in the One-Eleven and Trident jet airliners.

It has also been used, however, as the power unit for the Phantom fighters in the RAF, so in some extent it could also provide the Chinese with a military aero-engine if they wanted to use it in that way.

But it is pointed out that the Spey is, in effect, an "old technology" engine, and that while it is still giving valuable service in the Phantom, it is being superseded in more advanced combat aircraft with new generation engines, such as the Rolls-Royce RB-199.

It is largely because the Spey technology is so well known, both in the Phantom and through its civil airframe use—that there are no objections to the Chinese buying it.

The Government is understood to have approved the sale of Spey technology to China, which on the idea, both for the immediate cash it can provide and also for the longer-term foothold it would give the company in what is expected to be a major future aerospace market.

## India to build new Gnat fighters

BY K. K. SHARMA

NEW DELHI, Dec. 2

THE INDIAN Air Force will next year fly an improved version of the Gnat fighter, built under licence from Hawker Siddeley Aviation.

The new fighter will be called "Ajit," according to the Minister for Defence Production, R. N. Mirdha, and built by the public sector Hindustan Aeronautics.

India now has the capacity to build the MIG 21M, entirely from indigenous materials. MIG factories have been set up here with Soviet help.

According to Mr. Mirdha the Navy will receive its third Indian-built Leander class frigate in February and the fourth is in an advanced stage of production.

The frigates are being built in the Mazagon docks established with British help. The fifth and sixth frigates to be built there will have an improved anti-submarine capability, and also have the additional capacity of carrying the more powerful Sea King helicopters instead of Alouettes.

Mr. Mirdha said Mazagon docks have brought down the fitting out period to about 24 months from the date of launching, and this compares favourably with the time taken by foreign shipyards for the purpose.

The new frigates will have a bigger hull and a new weapon package to give them the "capability to meet the challenge of the 1980s," Mr. Mirdha said. An announcement recently shown a steady improvement.

● The Indian Government today raised prices of kerosene, cooking gas, furnace oil and high speed diesel. An announcement said this had become necessary after the decision of OPEC to raise crude prices by 10 per cent.

## Venezuela anxious over protein plant

By Hugh O'Shaughnessy

SENIOR VENEZUELAN Government officials are concerned at the slow progress of negotiations with British Petroleum and private investors on the setting up of a plant to produce proteins from petroleum. "All the work has been completed at the technical level," commented a senior official, "but there seems to be a reluctance at the top to take the final decision."

It is felt in Caracas that BP may be holding back to see how nationalisation of the oil industry, scheduled for New Year's Day, works out in practice and because of the stiff rules regulating profit remittances and the protection of patents within the Andean Pact.

The Venezuelan Government has repeatedly said that its aim is to ensure complete normality in the industry after vesting day, and has emphasised that the British company has nothing to fear from the Andean rules.

The Government has shown great interest in BP technology, which could give a much-needed boost to the animal feed industry and cattle ranching. The cost of a plant to produce 100,000 tons of synthetic protein was last year put at up to \$30m., a sum which Venezuela would have little difficulty in finding.

## Buy British campaign

MR. PETER SHORE, Secretary for Trade, has revived the "Buy British" campaign in a paper circulated to Government, union and employer members of the National Economic Development Council before today's monthly NEDC meeting.

His paper is understood to call for "a fresh and systematic look" at the relations between manufacturers and users in U.K. industry, with particular emphasis on their purchasing policies.

Whitehall sources say the NEDC, with its wide ranging industrial contacts, is seen as the best forum in which to review a variety of industrial sectors, with an eye on finding import-saving opportunities to aid employment and the balance of payments.

At the same time the Government is trying to strengthen the U.K. export effort, and a further paper circulated to NEDC underlines "the need for a developing relationship between Government and exporters."

The Department of Trade has contacted some 75 of the country's largest exporters in order to get a better idea than hitherto of the general order picture.

## China's need of oil equipment

## Output increasing at annual rate of 20%

BY COLINA MACDOUGALL

A MISSION from China composed of senior officials of the National Machinery Import and Export Corporation and others concerned with oil exploration arrived in Singapore at the weekend at the invitation of the Singapore Economic Development Board.

The team is meeting local and international industrialists, and expects to visit shipyards to discuss the purchase of supply and utility vessels as well as the servicing of Chinese ships. Last year a deal between the Chinese and a Singapore company for the sale of drilling rigs was discussed but did not materialise.

The renewal of interest is a sign of the Chinese requirement for foreign oil equipment. Recently, they have bought oil production equipment from U.S. concerns and steel from Japan, including seamless tubing and other special steels intended for oilfield use.

A Chinese delegation led by the vice-minister of petroleum and chemical industries visited Norway in October to see offshore drilling platforms and rig construction sites. An invitation to the Norwegians to send a team to China was expected to follow. At present, the Chinese seem more interested in Norway than in Britain as a potential supplier, as they have not taken up suggestions to visit Scottish and North Sea locations.

Despite China's current intentions to import foreign equipment to expand its oil industry, oil exports continue to face difficulties. Crude from the three major fields—Tachang, Takang and Shengli—has a high heavy oil fraction and poor point.

Tachang crude solidifies at normal temperatures, and in China hardens in winter even in heated pipelines. Those characteristics make it uneconomical to handle at the kind of price (around \$12 a barrel) that the Chinese agreed with Japan earlier this year.

Chinese deliveries of oil to Japan are unlikely to amount to the full 8m. tons agreed for 1975. The quantity to be contracted for next year will probably not exceed this year's total. Already, Japan is burning more than 30 per cent. of its imports from China as crude in the power and steel industries, which is a wasteful process.

The Japanese Government has been pressing reluctant oil companies to make a long-term contract with China to diversify sources and to help balance the currently one-sided Sino-Japanese trade. The Chinese side, seeing some flexibility, has agreed that the actual amounts should be decided later. However, the Japanese are really seeking a reduction in price.

So far, the quality of the product from China's new oil fields is not known. Even then, which are located close to existing fields may produce a more generally useful crude if the geological formation is different.

One solution for the problem would be for the Chinese to refine the crude and export the products. The location of two new refineries, close to sizeable ports at Shanghai and Canton, suggests they may have this in mind. Port expansion is continuing rapidly, and facilities at some harbours are now said to be adequate for vessels of up to 100,000 tons.

Crude output in China is apparently rising fast, probably at a rate of over 20 per cent. annually. That would, on the basis of previous estimates, give a 1975 output of 75m.-80m. tons.

Long-term forecasts of future oil production made by observers in Washington and elsewhere have been scaled down, however, as it seems likely that the rate of increase will inevitably become slower. Earlier predictions of a production of well over 200m. tons by 1980 have been reduced to around 180m. because of the technical and equipment supply problems the Chinese may encounter.

## Contracts Abroad

LOCKHEED AIRCRAFT'S Missiles and Space Unit will design and build a new ocean survey satellite called Seasat at a cost of \$28m.

STORK-WEKSPOR DIESEL will build six engine room installations, each with nine-cylinder diesel, worth £3.7m. in all, for D.B. Cargo Lines, Istanbul. The engines are six 3,500 dwt semi-container ships.

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FOKKER VFW has sold two Mark 500 Friendship aircraft to the third-quarter 1975 delivery to the Australian operator West Airlines.

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# AMERICAN NEWS

## Ford has lengthy meeting with Chairman Mao

PEKING, Dec. 2.

PRESIDENT Gerald Ford had a lengthy meeting with Chairman Mao Tse-tung today on the second day of his mission to China.

Mr. Ford and Secretary of State Henry Kissinger earlier opened formal talks with Chinese leaders at a two-and-a-half-hour session devoted to international issues.

An American Press communiqué said that the President's audience with Chairman Mao—the highest honour Peking can bestow on guests—lasted one hour and 50 minutes. It gave no details of the discussions. The frail, 81-year-old father of Chinese Communism shook hands with eight others in the U.S. party, including Mrs. Ford.

After photographs and a round of introductions, Mao got down to discussions with Mr. Ford and four others in the group—Dr. Kissinger, Mr. George Bush, the U.S. Liaison Office chief, the Brent Scowcroft, Presidential adviser on national security, and Mr. Winston Lord, a senior State Department official. The Chinese do not like visitors to reveal detailed accounts of their talks with Mao and the White House Press Office appeared to be complying. There was no word whether Chairman Mao, who also met former President Nixon here in 1972, raised the delicate question of U.S. détente with the Soviet Union.

The length and cordiality of

the meeting seemed to underscore China's aim of treating Ford personally with warmth while scolding the U.S. for its detente policy.

Mr. Ford reportedly suffered a series of strokes and grants such audiences selectively, but senior American officials in Ford's party said that the Chairman was mentally sharp and seemed surprisingly fit.

Other statesmen who have met the Chairman this year have been given strong warnings against détente—the major area of disagreement between China and the U.S.

At a welcoming banquet last night, Mr. Ford was told by Vice Premier Teng Hsiao-Ping that the President intended to stand up to Chinese criticism. He said that Mr. Ford would explain "the American position forcefully and fully and frankly." The President was unsmiling and appeared preoccupied when he left the talks, in the Great Hall of the People.

A U.S. Press statement simply said there had been "a constructive exchange of views on a wide range of international issues. Both sides found the discussions were beneficial."

A Chinese official said there



GERALD FORD, the U.S. President, listening to his wife's voice coming through the Temple of Heaven's circular stone wall, Peking. A whisper at a certain point on the wall can be heard on the other side. The notice asks visitors not to deface the wall.

had been a "candid" exchange of views—indicating there may have been some tough talk. The Chinese side was led by Mr. Teng, Peking's third-ranking leader, in the absence of ailing Premier Chou en-lai. Dr. Kissinger later invited Foreign Minister Chiao Kuan-Hua to his guest villa for more discussion.

The Soviet Union, to-day Agencies

## President faces three-Bill dilemma

By David Bell

WASHINGTON, Dec. 2. PRESIDENT Ford will have to decide the fate of three important, and politically-sensitive Bills dealing with oil prices, an extension of the tax cut and picketing on his return from the Far East.

All three Bills, which have almost completed their passage through Congress, pose political problems for the President even though they are largely supported by his own administration and he can be sure that whether he vetoes them or not, he will come in for considerable criticism.

The first, which would reduce the price of crude oil until after next year's election when it would be allowed to rise, is the result of more than a year of haggling between Congress and the administration. The Federal Energy Administration supports the measure, but it has been sharply criticised by the oil companies, Republican congressmen and by Mr. Ronald Reagan whose challenge for the Republican Presidential nomination is causing Mr. Ford great concern.

Equally, Mr. Ford's administration sees the need to follow this year's tax cuts with a \$25bn. cut next year in order to bolster flagging consumer spending, whose continuing low level is a major reason for the recent slowing down in the pace of economic recovery. But Mr. Ford, for whom economic recovery is a crucial election issue, has said that he will not approve the tax cut unless Congress laps a similar amount of federal spending.

A third Bill, also given qualified approval by the administration, allows building trades unions to picket an entire building site even if they are only in dispute with one subcontractor. Mr. Ford has welcomed this provided it is accompanied by the creation of new federally-backed collective bargaining machinery for the industry. But many Republican Congressmen oppose this strongly as does the industry.

In all three cases, Mr. Ford will have to decide how much attention to pay to Mr. Reagan's views and whether he dare ignore them. His dilemma is the keener because which ever course he decides on will leave a good number of people displeased and Mr. Ford is well aware of the need to avoid this at the start of an election year.

## NEW YORK PLAN FACES TROUBLE

WASHINGTON, Dec. 2.

PRESIDENT FORD's financial rescue plan for New York City is expected to win swift approval today in the House of Representatives, but then face trouble in the Senate.

The proposal for up to \$2.3bn. in federal loans to the near-broke city in each of the next three years will be debated and voted on today by the House. It then goes to the Senate where Alabama Democrat James Allen has threatened to talk it to death in a filibuster. Both Houses must approve the aid plan before Mr. Ford can sign it and New York can begin tapping the federal government for funds to avoid defaulting on its debts.

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## CHEMICAL BANK

International business: When needs are financial, the reaction is Chemical.

## Three killed in Argentine bomb blast

By Robert Lindley

BUENOS AIRES, Dec. 2.

A BOMB blast in a house early this morning in Tucuman City killed a Chilean refugee and her child. In trying to escape from the house, another victim—the father of Clarisa Rosa Lea Laplace, one of the nineteen killed in the "Trelew Massacre" three years ago—was gunned down.

The dead so far this year from political violence in Argentina total more than 750. In August, members of the family of Mariano Pujadas, another of the nineteen killed in the "Trelew Massacre," were killed by right-wing terrorists. The nineteen were killed while being held a naval air base in Patagonia, trying to escape, according to the Navy.

Tucuman City, where the three were killed this morning, is the capital of Tucuman Province, which is in the Argentine northwest and is the battleground where the Marxist People's Revolutionary Army (ERP) is struggling in the jungle against the Army, the Air Force and the security forces. The Navy will soon send marines to Tucuman Province as well.

## GUN CONTROL BILL

WASHINGTON, Dec. 1.

A SENATE Sub-Committee today passed a Bill banning the sale of all easily concealable non-sporting handguns, including "Saturday Night Specials"—cheap pistols widely used by criminals.

The measure, drafted by Indiana Democrat Birch Bayh, now goes to the Judiciary Committee for consideration.

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## Congress moves alarm bankers

BY GUY DE JONQUIERES

NEW YORK, Dec. 2.

FOREIGN bankers in the U.S. are now expressing concern about the outgrowth of new pressures in the Congress to tighten controls over their operations and curtail a number of the freedoms which they have enjoyed for many years.

Their alarm is shared by their domestic counterparts, who are also resisting the threat of legislation which would impose new curbs on their international operations and require substantially greater disclosure and official supervision than at present.

Both groups of banks are due to argue their case at Congressional hearings which opened in Washington today. The cause of the foreign banks is expected to receive some support from American bankers, who fear that any rash actions by the U.S. could trigger off a wave of retaliation by banking authorities abroad.

The main focus of concern is a report by the House Banking Committee issued last month, entitled "Financial Institutions

and the Nation's Economy" (FINE), the report does not propose specific legislation but sets out a series of "discussion principles" designed to stimulate debate.

Nonetheless, the report has unsettled the foreign banking community, both because its publication was not expected and because some of the ideas which it sets forth go well beyond the proposed legislation on the regulation of foreign banks drawn up by the Federal Reserve Board.

It is feared that the report could become a rallying point for the forces in Congress which favour more stringent controls on foreign bank operations and jeopardise the prospects for the Fed Bill, which has already been "linguishing" in Congress for about a year.

One of the FINE report's most controversial suggestions is that foreign bank branches should be barred from taking domestic deposits in the U.S. unless they incorporate as subsidiaries. This proposal could hurt a number of

European banks, whose U.S. branches are backed up directly by the balance sheets of the parents.

The FINE report also favours abolition of the "grandfather clause" recommended by the Fed, which would permit foreign banks which already have branches in more than one state to retain them. The report would permit interstate branching by foreign banks, though this would have to be sanctioned by the states involved.

At present, only a handful of States permit interstate branching, though these include New York, California and Illinois, where most foreign branches are located. Barclays, which is incorporated in the U.S., has branch networks in both New York and California as well as offices in Chicago and Boston.

The report recommends the establishment of a new, unified regulatory agency called the Federal Depository Institutions Commission, which would oversee both domestic and foreign banking operations.

## Vote recount in Canadian postal strike

BY VICTOR MACKIE

OTTAWA, Dec. 2.

CANADA'S postal strike, now in its fifth week, continued today after a recount was ordered in a Canadian Union of Postal Workers vote on whether to accept the federal Government's offer. The CUPW refused to allow the vote to those who had crossed the picket lines to work in the past two weeks.

This disenfranchised several thousand of the union workers. The Montreal branch of the CUPW voted 70.5 per cent against the Government's proposal. The large Toronto branch voted by a substantial margin in favour of the proposal.

The members in the Ottawa branch voted in favour of the Government's offer. The head of the national CUPW ruled that a recount was ordered. Postmaster General Blythe Mackenzie is protesting that the voting was

rigged. Mayor of Montreal said last night that productivity must increase at the Olympic Games site—beset by strikes and increasing costs—or there will be no Games.

Mayor Jean Drapeau, who was

interviewed on a French-language station, added that he was optimistic that the installations would be completed by the scheduled opening date of July 17.

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## THE CARIBBEAN CURRENCY MUDDLE

## A conflict of dollars

BY TONY COZIER, BARBADOS CORRESPONDENT

THE MULTIPLICITY of currencies in the Commonwealth Caribbean is causing considerable concern, and proponents of the Caribbean integration movement fear that it is having adverse effects upon the established Caribbean Community and Caribbean Common Market.

The main problem is that there are five separate currencies now being issued by five separate fiscal authorities. That might well be acceptable but for the conflict with those in the other four of the Caribbean Community—Jamaica, Barbados, and Guyana—whose currencies are now linked to the U.S. dollar, whereas the Trinidad and Tobago dollar and the East Caribbean dollar remain tied to sterling.

While the central banks of the first four islands mentioned exercise strict exchange control, the East Caribbean Currency Authority (ECCA), which is not a central bank, permits free convertibility of EC dollars into sterling. Since part of the Caribbean exercise is for the wealthier countries to channel funds into the poorer countries of the East Caribbean, it is claimed that such funds may there be converted into sterling, opening an escape hatch for regional funds which need to be husbanded and controlled.

Accordingly, St. Lucia has recently altered its regulations to give the East Caribbean Currency Authority power to establish its own controls over money movement and currency parity.

Fixed exchange rates between Caribbean currencies can only come about by tying all to the same major currency, and will diminish inconvenience experienced, for example, by East Caribbean students in Barbados who now find themselves at a considerable disadvantage with money worth some 15 per cent less than before the recent

strengthening of the U.S. dollar. However, it is the power to exercise exchange control which would help meet the better-off countries' complaints. But these decisions will not become enforceable until other poor countries follow St. Lucia's lead, and that will take some time.

What is more threatening to the Caribbean integration ideal is the switch of three of the currencies to the U.S. dollar. It means that central bank policies in the one bloc necessarily conflict with those in the other. Goods produced in Jamaica, Guyana, and Barbados have suddenly become much

## Central bank policies in the one bloc necessarily conflict with those in the other.

more expensive in Trinidad and the Eastern Caribbean. The U.S. dollar-based countries stand to lose much of their trade with the Eastern Caribbean countries—Grenada, St. Vincent, St. Lucia, Dominica, Antigua, St. Kitts-Nevis, Montserrat, and Anguilla. These countries are the least self-sufficient industrially and are naturally good hunting grounds for the manufacturers of the wealthier countries.

The currency of each issuing authority is only legal tender within its own confines and inter-island travellers are put to considerable inconvenience when moving within the region. Exchange control is applied however with varying degrees of strictness—rigorously in Guyana, for example—and there is no common policy.

Because individual Govern-

ments may wish to cling to one or the other of the two base currencies, there would appear to be an inherent threat to freedom of trade within the Caribbean Common Market which is the lynch pin of the community. Accordingly the recent announcement by Jamaica that all Caricom products will be subject to import licensing is regarded as an unhappy augury, although it has been claimed that it is merely a "monitoring exercise." As a result proponents of integration are suggesting a Caribbean central bank as the only issuing authority, arguing that it would remove the present inconveniences to travellers and traders, prevent exchange rate manipulation, and guarantee freedom of movement of investment funds. It would mean pooling the foreign exchange of the whole region and would, says Mr. Noel Venner, secretary-general of the Caribbean Association of Industry and Commerce, "obviate the necessity for individual territories to interrupt the pace at which the integration movement is proceeding, by the imposition of various forms of control (designed) to protect their balance of payments position."

It is difficult to envisage the acceptance of any such idea by the Governments concerned. In the first place, it would undoubtedly require a surrender of sovereignty, and that is not a likely prospect as far as the detached observer can see. Within the Caribbean area there is the pronounced socialism of Guyana and its Cooperative Republic, the "socialism is love" approach of Mr. Michael Manley in Jamaica, the "God-given" rule of Mr. Eric Gairy in Grenada, and the far milder and more pragmatic socialism of Mr. Errol Barrow in Barbados. No easy resolution is in sight to the currency confusion.

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Appartements et hôtels particuliers. L'architecte et le décorateur ont voulu un style "pierre et ton bronze" qui respecte la tradition de l'Avenue du Bois, mais qui n'arien de rigide, grâce à une conception très libre des espaces. Les pièces sont conçues pour recevoir, mais dans un esprit d'intimité et de chaleur tout à fait dans le goût actuel.

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Silence, Sécurité. Toutes les techniques mises en œuvre respectent point par point les nouvelles normes visant à une insonorisation complète. L'isolation acoustique a été étudiée par un spécialiste renommé, en vue de l'obtention du label confort acoustique tant en ce qui concerne les bruits d'impact et les bruits d'équipement que les bruits extérieurs. Les portes des appartements et hôtels particuliers sont munies de dispositifs anti-effraction. A l'entrée du 50, il y aura à la fois un huisserie et un gardien pour la sécurité des habitants ; à leur sera possible de réglementer les accès à leur convenance.

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50, Avenue Foch 75116 Paris. Tél. 704.60.68. Actuellement, tous les jours, de 11 h à 18 h, sauf dimanches et jours fériés. Samedi de 10 h à 17 h. Dans le hall d'accueil et de vente : maquettes, plans et "livret de bord" édité à votre intention personnelle.

## EUROPEAN NEWS

### 1978 start on introduction of Community passport

BY ROBIN REEVES

ROME, Dec. 2

DIRECT elections to the European Parliament will take place in either May or June, 1978, in at least seven of the nine EEC countries. The same year will also see a start made to the introduction of a European passport for citizens of the Community.

Both measures, aimed at fostering the identity of the European Community, were agreed by Common Market leaders here today, prior to the big clash over Britain's demands for a separate seat at the energy conference.

The go-ahead for direct elections was inevitable once it became clear that British and Danish reservations were not going to be allowed to stand in the way of a positive decision by the seven other EEC members.

At the same time, all that has been decided upon broadly is the timing. Precisely how, that is, it will take place, the method of elections, the number of seats and the basis for the distribution, the relationship between directly elected Euro-MPs and their national parliaments, have all still to be decided upon.

At a time of economic austerity, however, the majority of EEC leaders were happy to support direct elections in 1978 and the European passport as inexpensive ways of reaffirming

their devotion to building a united Europe. But in the longer-run the move can obviously provide an important psychological boost towards a stronger European awareness and identity within the Nine.

Mr. Wilson, the British Prime Minister, accepted the decision gracefully. Setting aside British objections that 1978 provides too short a time to consult all interested parties and to iron out the many practical problems involved, Mr. Wilson told his European colleagues that Britain would "do its best" to meet the 1978 deadline.

The Danish Prime Minister, Mr. Anker Jorgensen, gave no such undertaking, reiterating that he was still bound by his Parliament's two reservations.

These are that its directly elected members of the European Parliament must also sit in the national parliament and that elections to the European Parliament must take place on the same day as its own national elections.

But there is some hope that the Danes may change their minds, given the determination of the rest of the Community to press ahead.

Indeed, Mr. Wilson intervened to stress that he did not agree with the Danish reservation. He accepted that elections should take place in all countries on the

### Rightist to head Cortes

BY ROGER MATTHEWS

MADRID, Dec. 2

A NEW wave of pessimism swept through moderate Right, Centre and Left-wing political factions in Madrid this evening following the decision by King Juan Carlos to appoint Sr. Torcuato Fernandez-Miranda as President of the Cortes, a vital constitutional post.

Sr. Fernandez-Miranda was deputy to Prime Minister Carrero Blanco, assassinated at the end of 1973, and is a man of impeccable Right-wing credentials. However, the pessimism was tempered by the hope that the King will balance this decision by appointing a moderate as Prime Minister, and ensuring that a new Cabinet is formed from people who are prepared to countenance positive moves towards a democracy.

Adding to the complexity of the present political mix, the judicial authorities today released eight leading members of the Spanish Communist Party, including Sr. Simon Sanchez Montero, who had been arrested two weeks ago under the anti-terrorist law.

The appointment of Sr. Fernandez-Miranda had been anticipated at least three weeks ago and was followed by intense lobbying from the moderate Right. They are convinced that the King is making a serious mistake, although it is admitted that Sr. Fernandez-Miranda will be extremely sensitive to the wishes of Juan Carlos.

A lawyer and university professor, Sr. Fernandez-Miranda acted as personal tutor to Juan Carlos in political science, a sure sign that he had fully earned the confidence of General Franco.

The Council of the Realm met for over six hours last night to consider the three names of would-forward to the King for selection. Sr. Fernandez-Miranda topped the voting. Irritated by the non-combustion attitude of the Communist Party, the Spanish Workers' Party (PTE) has called a series of strikes in Madrid for tomorrow and Thursday and depending on the response, is prepared to invoke a general strike.

### Thousands on march in Paris

PARIS, Dec. 2

TENS OF thousands of demonstrators, including a sizeable contingent of police, marched through the centre of Paris today to back demands for shorter working hours and a more retirement age.

The demonstrators were responding to a call from France's two main trade unions, which also organised a series of 24-hour strikes throughout the country. Kinder garden child-minders, railwaymen and miners were among those involved.

Among the first ranks of marchers were about 50 policemen, out of uniform but marching under a banner of the police branch of the Communist CGT union group.

The CGT and the Socialist CFDT have called for the maximum working week to be set at 40 hours with an overall reduction of the retirement age from 65 to 60.

The Government last month introduced a lower retirement age for certain groups of manual workers and working mothers but the Communist "L'Humanité" today called the measure "derisory".

Apart from the strikes called by the CGT and CFDT in the latest of a series of "action days" to draw attention to social grievances, radio and television programmes were disrupted by other stoppages by technicians and journalists.

State radio stations broadcast mainly music with a minimum of news bulletins, and television viewers were promised only limited news.

### Soviets slash growth targets

BY MOIRA CUNYNGHAME

MOSCOW, Dec. 2

THE SOVIET Union announced the lowest industrial growth targets for decades today because of agricultural difficulties and delays in implementing capital investment. As in the past, the consumer section will be the most hard-hit.

Industrial output in 1976, the first year of the 10th Five Year Plan, will increase by 4.3 per cent, with the production of capital goods by 4.9 per cent, and the production of consumer articles, Group B, by 2.7 per cent.

This is in sharp contrast from the five-year period just ending, when increases of 6.7 and 7.4 per cent for Groups A and B respectively were planned for the first year. The consumer section was moved back to second place after the disastrous harvest of 1972, and it seems that fewer promises have been made to the consumer in the next Five Year Plan, details of which will not be revealed until next year. In line with the slower growth of the consumer industry, personal incomes will rise less.

As in past years when there was a bad harvest, no figures for coal and fertilisers have been given. The chairman of the State Planning Commission, Mr. Baibakov, said that the low growth rates for 1976 were a result of a shortage of raw materials from this year's harvest as well as delayed capital investment, exactly the same phrases as he used in December 1972.

The harvest target for next year is 14 per cent, above the average of the 1971-75 period, which would mean about 210m tons or 30 per cent more than expected for this year. Mr. Baibakov said that the cotton harvest this year exceeded the target, which means that it was made to the consumer in more than 7m tons. Mr. Baibakov also said that industrial out-

put rose by 7.5 per cent, this year, slightly more than planned, and therefore rose by 40 per cent during the five-year period against the 47 per cent planned. Almost none of the five-year targets, except the production of coal and fertilisers, has been reached and it may be that an effort is now being made to set more realistic growth rates.

The defence budget next year remains at 17.4bn. roubles, the same as the current year, but accounts for a slightly smaller percentage of the national income, 7.8 instead of 8.4 per cent. These figures are seen as largely political, as much of defence spending is hidden under other budget headings.

Foreign trade will continue to expand, and a rise of 13.6 per cent is forecast next year. Production of oil and gas condensate is estimated at 520m. tons. Good China harvest, Page 28

### France cool to Nato arms plan

BY DAVID BUCHAN

BRUSSELS, Dec. 2

LAST MONTH'S initiative by the European members of Nato (the Eurogroup) to set up a new mechanism to involve France in the purely a get-together of European arms production could both scare France off and damage the alliance, according to a top-ranking Nato source in Brussels.

Dr. Joseph Luns, Nato's secretary-general, told the Western European Union Assembly in Paris yesterday that he was hopeful of associating France with European weapons arms body; they see it as a procurement. But France "is not enthusiastic," says the source.

About the plan which the Eurogroup (disliked itself by France as a Nato) put forward in the Hague November to set up a body separate enough from Nato to be politically acceptable to Paris.

Before the Euro-group "took the bit between its teeth," Nato's international relations committee was drawing the French closer, particularly in the discussion of the matter in the full Nato Council which meets next week and where France will have its Foreign Minister present. It is now felt in Brussels that the French are being asked to respond too quickly in a glare of publicity to the Euro group proposal from which they will have to back away.

The Hague plan is taken by Nato's international staff as a further sign that the Euro-group

is taking on too much of a life of its own for the general good of Nato. The Euro-group used to be purely a get-together of European Defence Ministers before full Nato Ministerial meetings in Brussels.

It now often meets quite separately and elsewhere—in London and the Hague in recent months. But senior Nato military staff are "very unhappy" too, at the proposed separate arms body; they see it as acquiring secretariat and staff and, worst of all, ambitions towards arms strategy development once it goes into joint arms projects.

It is also clear in Brussels that Mr. Roy Mason, British Defence Minister, will have to do a considerable amount of explaining to his colleagues of the Press reports of a second round of British defence cuts.

Some Nato sources hope that these can be modified by international pressure, as was the case to a certain extent in the first round of cuts.

But any Whitehall cuts are clearly still in the early stages. There is an established procedure of consultation with Nato in these cases and neither

its international staff nor the British delegation to Nato have been officially informed of any cuts yet.

Germany surplus shows a rise

FRANKFURT, Dec. 2

GERMANY'S balance of payments on current account showed a provisional DM714m surplus in October, compared with a DM589m surplus in September and a surplus of DM2.8bn. in October last year.

The Bundesbank said the current account surplus in the first 10 months of this year fell to DM8.5bn. from a DM17.9bn. surplus in the same 1974 period.

The basic payments account, which combines the current and long-term capital accounts, showed a provisional DM194m surplus in October against a DM700m. mark deficit in September and a surplus of DM2.8bn. in October last year.

In the first 10 months of 1975, it was DM58m. in deficit against a DM148m. surplus in the same 1974 period.

Reuters

### More tests on Viggen

By John Walker

STOCKHOLM, Dec. 2. IT IS unlikely that the grounded Saab Viggen 37 aircraft—which will form the backbone of the Swedish Air Force well into the 1980s—will be flying again before the spring following three explained crashes.

The first was in July, 1974, and the two others at the beginning of October this year.

The commanding officer of the air force, Lt.-Gen. Dick Stenberg, says in a summary of the investigating committee's report, that it is unclear what caused the crashes.

It cannot be said with complete certainty what the cause was, but many things point to a break in the wing spars during flight.

It is thought that all three aircraft were subject to vibration in the so-called "nose wing" of the double-delta configuration which probably led to a break-up flight.

Directly before Christmas a test flight programme of the hunter version of the Viggen will commence which will measure the strain of the wing structure, while a fighter version will commence a similar series of test flights in January.

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## Belgian retreat from pay policy

BY DAVID CURRY

BRUSSELS, Dec. 2

THE BELGIAN Government has beaten a hasty retreat from its incomes policy proposals. The latest version of its anti-inflation package has been short of much of its anti-inflation element and consists essentially of steps to combat unemployment coupled with rather loose promises of economic restructuring.

The main casualty of the package unveiled in November is the proposal to extend collective wage agreements due for renegotiation up to the end of July for a period of nine months, during which only pay rises stemming directly from the cost-of-living index would be permitted.

The Government has dropped this proposal in the face of the noisy opposition of the Socialist Union, the FGTE, and the certainty of a rough passage in Parliament.

However, up to now it is still insisting to surtax companies which break the law for the new round of wage negotiations, a position attacked by the employers as inconsistent and impractical, while workers who get real pay awards see half of the increase paid into a fund to help finance early retirement schemes.

The plans for early retirement have been made more firm, with men eligible from the age of 62 and women from 58, provided the job vacated is awarded.

## Yugoslavs accuse Sofia over Macedonia minority

BY PAUL LENDVAY

VIENNA, Dec. 2

THE LEADING Belgrade daily Borba to-day accused the Bulgarian Government of resorting to intimidation, arrests and re-settlements in the border region of Pirin, Macedonia, on the eve of the countrywide census in order to camouflage the existence of what the Yugoslavs regard as a Macedonian minority in Bulgaria.

The sharply worded attacks of Borba were published only some two weeks after the Bulgarian Foreign Minister's visit to Belgrade, when a communiqué hinted that the so-called "disputed questions" will be discussed at a projected meeting between Marshal Tito and Bulgarian party chief Todor Zhivkov.

The Yugoslavs demand that Bulgaria should recognise not only the existence of a Macedonian nation in Yugoslavia but also that of a Macedonian minority in Bulgaria.

Borba recalls that the 1956 census reported about 150,000 people in Bulgaria who declared themselves to be Macedonians, while the 1965 census produced only 9,000 Macedonians living in Bulgaria.

This month's census is clearly regarded by the Yugoslavs as a test of Bulgarian intentions. Borba now raises the question why the Bulgarian authorities have launched such an unprecedented propaganda campaign and resorted to arrests and intimidation in the Pirin region if the population was entirely Bulgarian.

The paper warned that the Macedonians and the Yugoslavs had a legitimate right and a moral obligation to know whether genocide is committed against the Macedonian minority in Bulgaria or the Bulgarian regime use suppression and forced assimilation in order to use the forthcoming census to cover up the real situation.

Meanwhile, the Bulgarian news Press drew considerable attention to the three-day official visit of the Turkish Premier, Süleyman Demirel to Sofia, which began yesterday.

This is the third meeting this year between Bulgarian leader Zhivkov and the Turkish Premier. The talks are expected to give a further impetus to bilateral economic co-operation.

As to the Cyprus conflict, the Bulgarians have repeatedly come out in favour of a united and independent Cyprus and against the stationing of foreign troops on the island and there is no reason to suppose that Mr. Zhivkov has changed what the Bulgarians claim to be a "principled position."

Belgrade: The planned European Communist conference will not take place before the Soviet Party Congress next February, an authoritative Yugoslav party source said here.

If the conference were held with its preparations at their present stage, there could be conflict, the source said.

Reuter

## Danish GDP expected to rise by 5%

By Our Own Correspondent

COPENHAGEN, Dec. 2

DENMARK'S Gross Domestic Product is expected to increase by 5 per cent. in 1976 after a fall of 3 per cent. in 1975, according to a survey by the Ministry of the Economy.

The main factors will be private consumption, the public sector and housing, while business investment is not expected to show any real increase.

Exports of manufactures, after falling by about 8 per cent. this year in volume terms, should increase by about 2 per cent. next year.

## PRIVATE SECTOR CONFERENCE

## Call for more self-help and fewer 'safety nets'

BY WILLIAM DULLFORCE

COPENHAGEN, Dec. 2

WESTERN democracies should concentrate more on motivating people to help themselves than on spreading safety nets under everybody, Mr. Jensen Stecher, managing director of Skarriesco, a Danish employee-owned company, told the conference on The Private Sector in Tomorrow's Economy here to-day.

Mr. Stecher and his employees have just brought their sawmill back into profit after using their savings and individual bank loans to take over when the original company was liquidated. They eschewed the assistance of union funds.

Mr. Stecher said his company was not practising economic democracy as much as the dissemination of capitalism, but he had found it essential to pass on the maximum information possible to the employees.

Participation and the future function of financial institutions were the main themes on the second day of the Anglo-Nordic conference organised by the Financial Times in collaboration with Berlingske Tidende Svenska Dagbladet, the Norwegian Journal of Commerce and Shipping, and Helsingin Sanomat.

Mr. Peter Lawson, director of pa Management Consultants, has little enthusiasm for two-tier Board systems such as that described by Mr. Ib Hansen and Mr. Svend Jagd, staff representatives on the Board of the East Asiatic Company. He thought that duties of directors, industrial relations and management participation should be defined by codes of practice, not by legislation, but companies could extend financial

participation to all employees. Companies should invest more in basic business education for all their employees, according to Mr. Michael Brennan, director of Charles Barker City. However, he had found that many companies did not have available the information they needed to talk meaningfully to their employees.

Sir Brandon Rhys Williams, MP, and Mr. E. W. Palmour, managing director of the M & G Group, both argued that in a country like Britain, with a single Board system, institutional investors should use their influence to get non-executive directors elected.

Sir Brandon advised the conference to read the Green Paper on worker participation and company structure by Mr. Pim Condelach, the Danish EEC Commissioner, and to press for moderate, practicable reform.

Mr. George Young, director of Kleinwort Benson, believed that boundaries of freedom for financial institutions could be drawn generously if governments remembered that their role was regulatory. The most important practical step forward would be for the EEC to press ahead with a common currency and so "create a wider framework of order."

"A plague on both your houses," was the consumer attitude to both the private and public sectors, according to Dame Elizabeth Ackroyd, former director of the Consumer Council. Private industry was not dishonest, but inefficient at meeting consumers' wishes.

## Dutch plans get critical reception

By Michael Van Os

AMSTERDAM, Dec. 2

THE DUTCH Government's proposals for a pay freeze in the first half of next year, coupled with reinforced price control, in an effort to cut inflation and to reduce unemployment, has had a rather critical reception from the two social partners and a lukewarm welcome from Parliament which is discussing the package in The Hague to-day.

The largest of the employers' federations, the VNO, said the Cabinet had left itself no choice but to intervene on the wages front now it had refused to reduce public expenditure which the employers have been seeking for some time.

The VNO added that the actual economic short-term outlook was bleaker than the Government seemed to think and the wages/price package would scarcely improve company profitability while unemployment would continue to rise "significantly" next year.

The employers said they were prepared to co-operate with government and trade unions on consultations over a possible restructuring of the Dutch economy—about which a White Paper is due early next year—provided the responsibility of company management is recognised and guaranteed.

Here, the employers refer to government plans for some "social audit" of company investments balanced against the employment position.

With Parliament expected to approve the package, the trade union movement has criticised the measures as "vague" and partially unfair.

The largest union, the Socialist NVV, said last night after a full-day meeting that the package had been prepared too hurriedly and that it looked as if the wage earners alone would foot the bill next year.

## THE PORTUGUESE UPRISING

# A stitch in time saved the Nine

BY PAUL ELLMAN

THOSE involved were probably unaware of it at the time, but the uprising in Portugal last week was doomed hours before the paratroopers at Tancos raised the flag of revolt. As the paratroopers put the finishing touches to their plan to take over Tancos and three other bases and while sympathetic units declared their support for the rebellion, President Francisco de Costa Gomes was finally forced to come down on one side in the crisis which had reduced Portugal's government to paralysis and which, to use his own subsequent words, was threatening to engulf the country in a civil war.

The President, known as The Cork because of his capacity to bob back to the surface no matter who else may have sunk, had the message delivered to him by angry farmers who blocked the main highway to the north from Lisbon at the town of Rio Maior on Monday night.

They arrived at the Presidential palace in Belem, on the outskirts of Lisbon, to tell him to his face that unless he took a stand against the Communists and their allies he risked going down in history as the President who presided over the breakdown of the Portuguese republic.

By their action, the farmers, who were threatening to deprive the capital of electricity, water and food, had brought closer to reality the great Portuguese political nightmare—an irrevocable split between the more conservative areas to the north of the Tagus and the more radically inclined to the south of the river.

President Costa Gomes, the country's only five-star general, in itself tribute to his capacity for survival through the Salazar and Caetano years—was driven to consult with military chiefs hurriedly and that it looked as if the wage earners alone would foot the bill next year.

At least 30 civilian Leftists are in detention, presumably being interrogated to establish where the remaining arms are being hidden. The Far Left has also, in the meantime, lost its access to radio stations which openly sided with the campaign against

Admiral Jose Pinheiro de Azevedo's Government. It has lost nearly all of its newspapers and, most important, has also seen its champions on the Revolutionary Council of the Armed Forces Movement picked off one by one and replaced by officers of a more traditional kind who are now planning to trim the armed forces from their present swollen size and re-introduce procedures such as saluting and obeying orders which had died out in the units involved in the uprising—perhaps a major cause of their early disintegration when they came under pressure from crack units.

The mixture of naïveté and outright cynicism involved in the political campaign which culminated in the rebellion has probably irreparably damaged any chance of another alliance between the Far Left and the Communist Party. Two views of the Party's role in the rebellion prevail here, neither of them charitable to the men who occupy top positions in its leadership.

The first is that the party genuinely believed that it could ride the Far Left tiger and that there was something to be gained from doing so, but that when it realised that the beast was rather toothier, it hastily jumped off, leaving it to the tender hands of the taxidermist.

The other view, and the one which finds favour among the Far Left itself, is that the Communists only pretended that they were solidly behind the cam-

paign, in order to destroy the Far Left. The Marxist Movement Party of the Proletariat (MRPP), which refused to have anything to do with the FUR on the ground that it would be used by the Communists to further their own

interests, has been saying: "We told you so," and indeed, is one of the few Far Left groups to emerge relatively unscathed from the past week.

The President's long-term political future looks increasingly doubtful. And there is growing speculation in Lisbon that the Constitutional Assembly may well agree on an elective presidency when it produces the written constitution it has been given 90 days to draft.

The political future of the Communist Party, too, is somewhat obscure, partly due to intellectual differences between elements of the military leadership, like Major Melo Anunciação, the chief ideologue of the Group of Nine, who feel fundamentally that the Communist Party is bound to occupy a central position on the Portuguese political stage, but hope that it will start behaving more like its Italian counterpart and some tougher military leaders, like Colonel Jaime Neves of the commandos, who are not satisfied that the political purge has gone far enough.

The two main political parties, the Socialists and the Popular Democrats, have, of course, emerged with their standing in the side the country higher than at

any point since the coup of March 11 this year. President Costa Gomes' stitch may have been in time to save the Nine on this occasion. But the position of the Group of Nine is not seen to be very secure here since there are elements in the Revolutionary Council which want the military to return to barracks. Dr. Francisco Sa Carneiro, the Popular Democratic leader, believes that the tidal wave set off by the bid for power of the Left is now moving in his favour and makes no secret of the fact that he expects his party to replace the Socialists of Dr. Mario Soares as the country's biggest party after the next elections which should, in theory, take place during the spring.

Whatever the military may feel privately about the civilian politicians, it is only too well aware that keeping them in office is part of the price they must pay in order to obtain financial assistance from western countries. They must also exercise economic austerity at home.

A plan freeing wages, cutting deep into consumer spending and perhaps bringing in rationing of basic foodstuffs and strict import controls, is expected to be published as soon as the political dust has settled and the Government is back at work.

Enforcing the plan, which is intended to end a situation where output is stagnant, inflation roaring ahead at about 30 per cent, and the country is faced with difficulties paying for food imports, is likely to be the major task in the months ahead.

As mutinous soldiers join the dole queues which already account for 18 per cent. of the active population, the wells of bitterness are likely to become even deeper. In this sense it could be argued that the Portuguese Left did not play its trump cards last week, but rather that it does not have the trump card in its hand yet.

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## OVERSEAS NEWS

## Ennals to meet both wings of ANC

By Bridget Bloom

CONSULTATIONS between the British Government and the African states most concerned with Rhodesia will be taken a step further this weekend when Mr. David Ennals, Minister of State at the Foreign Office, arrives in Lusaka to meet President Kenneth Kaunda of Zambia and the leaders of the two wings of the African National Council (ANC).

Mr. Ennals' last visit to southern Africa was in June, before the split in the ANC was formalised. Clearly among his priorities will be to hear at first hand from Mr. Joshua Nkomo, leader of the Rhodesia-based ANC, of the progress of his "talks about talks" with Mr. Ian Smith, the Rhodesian Premier.

Mr. Nkomo, who signed a declaration of intent to negotiate with Mr. Smith on Monday, is due to arrive in Lusaka today. Mr. Ennals arrives in Lusaka to-morrow morning. He is expected to meet Mr. Nkomo, and also the leaders of the exiled wing of the ANC, Bishop Muzorewa and the Rev. Sithole, currently living in Tanzania.

While the British Government would undoubtedly be delighted if Mr. Nkomo, who is expected to start substantive constitutional talks with the Rhodesian Government within the next month, managed to pull off a settlement involving a speedy transfer to majority rule, Mr. Ennals will arrive in Lusaka with few illusions as to the difficulty of such a settlement.

As far as can be judged there have been no substantive talks between Mr. Nkomo and Mr. Smith so far, and Britain is aware as the African states concerned that there is a very wide gulf between Mr. Nkomo's demands for majority rule "now" and Mr. Smith's attitude on the continuance of "responsible" (or white) rule in Rhodesia.

Tony Hawkins adds from Salisbury: Mr. Joshua Nkomo, leader of the Rhodesia-based ANC, flies to Lusaka to-morrow with two advisers to meet Mr. Ennals. Mr. Nkomo will be accompanied by his publicity secretary, Mr. Willie Masururwa, and his external affairs secretary, Mr. Madzimbamuto. The delegation is expected to have a brief "courtesy" meeting with President Kaunda as well as seeing the British Minister Mr. Masururwa said that the Nkomo team had no reason to see Bishop Muzorewa (who heads the ANC's externally based wing), although the bishop will be in Lusaka to see Mr. Ennals.

## Thousands of refugees flee to MPLA-held territory

BY JANE BERGEROL

The following report—delayed because of extreme communication difficulties—was dispatched on Sunday from Porto Amboim, the first township in the southern Angola war region to have been secured by the Luanda-based Popular Movement for the Liberation of Angola.

THOUSANDS of refugees from southern Angola are crossing into the MPLA-held Porto Amboim region, fleeing the mercenary-led forces of the National Front for the Liberation of Angola and the National Union for the Total Independence of Angola (FNLA/Unita).

Significantly, this front has changed considerably over the past fortnight as the FNLA/Unita force strings itself out over a long defensive line and digs itself in the better to meet the counter-attacking MPLA. Fighting is expected to intensify along the Queve river, which roughly marks the

position of the FNLA/Unita and South African mercenary forces, with the MPLA along the northern bank.

The MPLA forces' advance began last week with a limited but important victory at Ebo, when eight opposing armoured cars were reported captured and over 80 troops killed, allegedly including many South Africans whose documents are now in MPLA possession.

Meanwhile, an MPLA victory on the Eastern front came on Saturday with the announcement of the capture of Cuanabate, formerly the major Unita military base. MPLA forces striking westwards from their eastern headquarters at Luau took the base, but no details of prisoners or captured equipment have been announced. Refugees here are claiming that the FNLA/Unita forces are using violence against

southern tribes identified as MPLA supporters. In Mocimboa, according to two Mozambican refugees with whom I spoke, most townspeople have taken to the bush and are trying to make their way to MPLA-held territory.

These refugees also claim that some workers were killed by machine-gun fire on their way home from work, after the capture of the southern port. They reported that some Mozambican MPLA guerrillas are regrouping and planning to make their way back to the front.

The coastal towns of Benguela, Lobito and Novo Redondo were also reported emptying as their inhabitants took to the bush. They have begun arriving in some numbers inside MPLA territory. Two women I spoke to reported that the FNLA/Unita forces already inside Novo Redondo and other Novo Redondo refugees, though in what numbers the troops are present is not clear.

Agencies also in Johannesburg, South African Chief of Defence Forces, said that the MPLA is the best armed group in Angola and could win the war there. He said that South African involvement in Angola had been "vastly exaggerated overseas."

In Moscow, the newspaper Trud claimed that about 12,000 White soldiers—the majority of them South African—were engaged in fighting the MPLA. A detachment of mercenaries, the newspaper said, had been formed in South Africa and were crossing through Namibia into southern Angola.

In Kinshasa, the Zaire newspaper A.Z.A. reported an estimate by Ugandan President Idi Amin that 30,000 people had been killed so far in the Angolan conflict.

## ANGOLAN DIAMONDS

## End of a state within a state

BY JANE BERGEROL, IN ANGOLA

THE HIPPOS rose and sank, snoring, in the diverted waters of a muddy river 5 miles from the Zaire border. Alongside lay the churned gravels of the original river bed, an old diamond mine worked out by Diamang, the Angola diamond mining company which has moved on to richer deposits further south.

There is nobody to be seen in this part of the bush in Lunda Province. It is out of bounds to guard against diamond smuggling, as used to be by Diamang's private army, with helicopters, armoured cars, bazookas and machine guns.

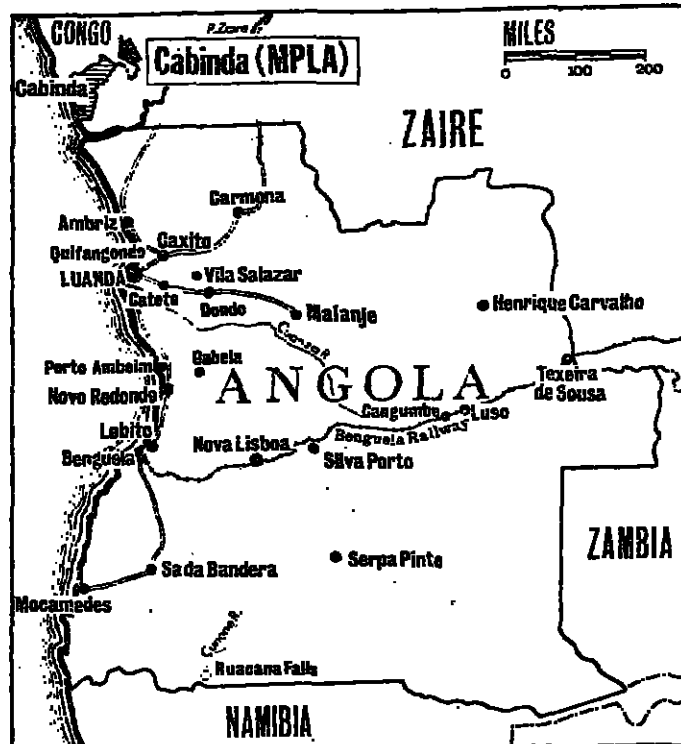
Lunda, in eastern Angola, is inhabited by about 300,000 people in its grassy uplands. It is larger than Portugal, and is crossed by rising rivers which flow down into the Zaire diamond and copper belt. The diamonds found in the basement rock in Angola are richer than those washed across into Zaire and have kept Diamang busy mining since 1921. Roughly 70 per cent are fine gemstones found not only in river beds but also in kimberlite funnels and even in cauldron formations in the rock, salt eroded pot-holes filled with high concentration diamonds.

Like Gulf Oil in Cabinda, the Lunda also MPLA-controlled territory, has been paying its royalties to MPLA, the Marxist Popular Movement for the Liberation of Angola, for the past few months. Exports of diamonds and oil are important to the new Government set up at Luanda. MPLA needs a stable Lunda. Strategically placed along the Zaire border it is a prime target for infiltration and conceivably for an attack designed to link up with the FNLA/Unita stronghold around Huambo.

Diamang needs to go on mining—with MPLA forces taking on security tasks of the defunct private company army. It is a curious *modus vivendi*, particularly given the high proportion of capital held by Belgian, South African, and British interests, which at first sight would appear more natural allies of the rival Government in Huambo.

When we meet the local MPLA Political Committee our dapper Portuguese company interpreter has been found now to the Arab-Israeli conflict, including the Palestinian question.

"Israel has a policy of peace which includes the solution for the self identity of the Palestinian Arabs. Possible, just and realistic solutions. There is no essential contradiction between the existence of Israel in the defence of her borders and the neighbouring independent Palestinian-Jordanian State."



success in mobilising the Lunda population. The other part of the story is an end—as both parties agree it must—there will be obvious difficulties persuading the workers and their estimated 150,000 dependents to go back to paying normal prices for services and goods. The change will create difficult political problems, and MPLA will have to prepare the political ground carefully. In the meantime, both sides are reasonably happy: there has been no fighting in Lunda for weeks.

The company is running its own show, though increasingly along MPLA lines, and it is negotiating with Lunda for a new contract which will give majority capital control to the Angolan State in line with the State share in profits which already is 54.5 per cent, of pre-tax earnings. Diamang is transferring company headquarters from Lisbon to Luanda. The problem of the diamond cutting and polishing company, Dialap, also in Lisbon and controlled by De Beers' central selling organisation, will be a thornier one, and so far at least no firm proposals have apparently been made by either side.

The MPLA is anxious to prove that it can get along with foreign investors, and is clear in its own mind about the importance of things running smoothly. In addition it must give the people a stable life as a sign of resistance to the enemy. It was no accident that President Agostinho Neto singled out the theme of welcoming foreign investment "from all countries" in his independence speech, "provided it is in the interests of the Angolan people." These interests, at present, are on the side of stability.

A great deal is still available. The Cafu and Lucapa high concentration mines, scattered further afield from Andara in the company's 50,000 square kilometres of concession, are doing quite nicely.

More is at stake in Lunda for MPLA than mere revenues, however important they are to the new Government set up at Luanda. MPLA needs a stable Lunda. Strategically placed along the Zaire border it is a prime target for infiltration and conceivably for an attack designed to link up with the FNLA/Unita stronghold around Huambo.

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## NOTICE OF REDEMPTION

To the Holders of:

## RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

8 3/4% Guaranteed Debentures Due December 15, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of December 15, 1970 providing for the above debentures, \$1,000,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1975, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

## DEBENTURES OF \$1,000 EACH

34-6	922	1863	3112	4108	5279	7181	8587	9790	10996	12028	13280	14251	15350	16542	17825	19912
23	920	1899	3125	4119	5319	7215	8621	9824	11030	12282	13534	14505	15604	16797	17987	19987
49	922	1908	3144	4138	5344	7241	8647	9850	11056	12308	13560	14531	15630	16823	18013	19987
51	922	1933	3168	4162	5368	7265	8671	9874	11080	12332	13584	14555	15654	16847	18037	19987
84	922	1958	3193	4187	5393	7291	8697	9900	11106	12358	13610	14581	15680	16873	18063	19987
83	1005	1941	3189	4183	5395	7294	8700	9903	11132	12383	13635	14606	15705	16898	18088	19987
89	1016	1963	3192	4197	5407	7305	8711	9914	11162	12413	13665	14636	15735	16928	18118	19987
112	1052	1971	3201	4206	5416	7316	8722	9927	11192	12443	13695	14666	15765	16958	18148	19987
121	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
128	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
130	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
138	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
139	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
201	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
209	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
210	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
219	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
220	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
229	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
230	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
239	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
240	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
249	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
250	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
259	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
260	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
269	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
270	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
279	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
280	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
289	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
290	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
299	1094	1973	3203	4208	5418	7318	8724	9929	11214	12465	13717	14688	15787	16979	18170	19987
300	1891	3083	4098	5245	6143	7285	8739	10095	11207	12353	13500	14551	15602	16653	17704	18755

On December 15, 1975, the Debentures designated above will become due and payable in cash coin or currency of the United States of America at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015, or (b) at the main office of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Banca Morgan Vouviller S.p.A. in Milan and Rome; Bank Mees & Hope N.V. in Amsterdam; and Kredietbank S.A. Luxembourg in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due December 15, 1975 should be detached and collected in the usual manner.

On and after December 15, 1975 interest shall cease to accrue on the Debentures herein designated for redemption.

## RICHARDSON-MERRELL OVERSEAS FINANCE N.V.

Dated: November 7, 1975

## NOTICE

The following Debenture previously called for redemption has not as yet been presented for payment: 34-6231

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## U.S. invites Israeli Minister to talks

BY DAVID BELL

THE U.S. moved swiftly to-day to allay Israeli concern about a possible change in the American attitude towards the Palestinians by inviting Mr. Yigal Allon, the Israeli Foreign Minister, to Washington. His visit will be timed to be in advance of next week's United Nations debate on the Middle East which will include Palestinian speakers. It follows Israeli concern at the tacit American acceptance of the Sunday Security Council resolution which linked the cease-fire of the mandate of the UN peace-keeping force to this forthcoming full-scale debate.

At the same time, the U.S. to-day released its reply to an earlier Soviet Note on the reconvening of the Geneva Peace Conference and proposed a preliminary conference which would fix the agenda and provide for a full conference. It would also discuss possible participation by the Palestinians but only, the Note stressed, if all the parties agreed to it and then only on the basis of the key UN resolutions 242 and 338. The United States also said it would be prepared to take part in bilateral talks with the Soviet Union if that would be helpful.

While this may go some way to soothing immediate Israeli concern about the week-end vote, it is likely to do little to ease underlying Israeli apprehension that the American attitude towards the Palestinian problem is indeed beginning to change.

State Department sources deny that there is any change in the basic American position, but a series of administration officials have gone out of their way in the past month to stress that the Palestinians have a "legitimate role" to play and to urge them to be both more specific

and more realistic about what they want.

Privately, officials concede that U.S. policy is "evolving" partly because America cannot remain indifferent to the growing worldwide recognition of the Palestinians and partly because the U.S. is hoping gradually to draw the Palestine Liberation Organisation away from Soviet influence. At the same time the Administration sees the Palestinian problem as one on which progress may conceivably be made in the search for a peaceful solution of the Middle East question.

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## HOME NEWS

# Slater Walker scrutiny makes rapid progress

By Margaret Reid

THE INTENSIVE scrutiny of Slater Walker Securities being conducted by accountants from PricewaterhouseCoopers and Price Waterhouse under the new Board headed by Mr. Jimmy Goldsmith is believed to be proceeding more rapidly than was at first expected.

Consequently, the report, likely to be crucial to the future shape and course of the group—from which Mr. Jim Slater resigned as chairman and a director on October 24—may be finished fairly early in the New Year.

The scrutiny is concentrating particularly on analysis of the group's investment and loan portfolio, the latter including the controversial \$35m. loan from SWS to Haw Par Brothers International, the Singapore concern formerly con-

# FFI makes first-half recovery

By Michael Blanden

FINANCE for Industry, the City's vehicle for providing medium-term funds for industry, has made a sharp recovery after being hit by special provisions last year.

In the first half of the current year, ended in September, FFI reports a pre-tax profit of £3.22m. This compares with a loss of £1.34m. in the same period of 1974-75 and a loss of £17.35m. for the whole of last year.

Profits were hit last year by heavy provisions totalling £33.6m. on account of the group's general loans and a number of specific situations. In the current first half, however, provisions total only £2.51m., compared with £3.25m. in last year's first half. It is understood that this time it has not been felt necessary to make any significant provisions against specific loans.

The group reports a substantial increase in its profits before provisions and interest payments from £14.18m. in the first six months of last year to £23.55m. in the latest period. At the same time, the industrial subsidiaries show a gain from £877,000 to £1.48m., and there has been a sharp rise in the share of associated companies' profits from £278,000 to £1.1m.

After tax and minority interests, FFI shows a net profit of £2.56m. against a loss of £824,000 in the first half of the previous year and a £12.06m. net loss in the whole year.

# McWhirter launches freedom group

By Peter Foster

MR. NORRIS McWHIRTER, in his first public appearance since the murder of his twin brother Ross by gunmen last Thursday, yesterday called upon individuals to fight for their personal freedom rather than bow to intimidation.

The picture shows him addressing a meeting in London to launch the new National Association for Freedom. With him are Mr. Michael Ivens (left), director of Arms for Freedom and Viscount de L'Isle, chairman of the new association.

Mr. McWhirter told journalists that one newspaper was not represented among them, the paper Majority, of which his brother had been editor.

He told the meeting that his brother had helped draw up the "Constitutional Notes on Rights and Liberties" which the new association was making the basis of its platform.

Most important of these rights and liberties, he claimed, was the right to live under the Queen's peace. He said: "Its preservation is surely the prime responsibility of Government, and dereliction of that duty is the final failure."

Apologising for not being available since his brother's death, Mr. McWhirter pointed out this was not because of reluctance or shyness or to inability to overcome emotion.

"It is because my freedom of movement is not entirely of my own choice," he said.

Before being escorted from the meeting by bodyguards, he said he hoped the platform would be "non-party and concerned with all major freedoms" and one of its principal concerns would be that of "active citizenship."



Terry Kirk

Earlier, Viscount de L'Isle, the association's chairman, emphasised that as well as a charter of rights and liberties it would lobby for a Supreme Court. The new organisation would be "non-party and concerned with all major freedoms" and one of its principal concerns would be that of "active citizenship."

The association, he said, would initiate legal action to preserve its ideas of freedom, would carry out research, would publish a weekly newspaper and would present annual awards to Press and TV.

Nobel prizewinning Russian novelist, would be invited to address the first Pageant of Freedom next July 1.

● Photoist pictures of the two gunmen who assassinated Mr. Ross McWhirter, were issued yesterday by Scotland Yard as the inquest into his death opened at Hornsey in North London. The Ross McWhirter Foundation, launched on Friday, has reached more than £20,000.

# ICI plan for Teesside going ahead

Financial Times Reporter

ICI's petrochemicals division on Teesside is to go ahead with plans to double business, but the original ten-year timescale is likely to be extended to 12 years.

Dr. Arthur Taylor, the division chairman, has told employees that although the overall sales volume dropped by 17 per cent. from last year, recently completed division forecasts anticipated a return to the 1974 level during next year.

Writing in the company's internal plant newspaper, Dr. Taylor says the investment programme would fluctuate, but the division would continue to meet its objectives to double the business, perhaps now, in view of the recession, in 12 years rather than the ten as planned.

He suggests three ways to make the best of the very favourable conditions facing the division and enable it to keep up with competition.

First it would have to develop a wage structure related to competitive productivity. The raw materials and salary bill rose by 25m. on last year and would have to be counteracted by increased efficiency.

Second, it would have to have a currency exchange situation moving in its favour as most raw materials were bought using foreign currency.

Third, it would have to rely on indigenous sources, such as North Sea Oil, for raw materials, thus eliminating a huge drain in foreign currency.

# Building slump 'in two years'

By Michael Cassell

A HOUSE building recession have the resources to acquire within two years, which could make the 1974 slump "look like a boom," was forecast yesterday by Mr. Ian Deslandes, director of the House-Builders Federation.

Mr. Deslandes attacked both the Community Land Act and the Government's proposals for a development land tax, which have yet to be put before Parliament.

He said that together, the two measures would combine to create a serious land famine by the end of 1977, at a time when demand for housing could again be at a peak.

"We face the very real prospect of a significant increase in the demand for new homes but a severe shortage of development land, which would have a disastrous effect on prices. Land cannot be made available overnight to meet demand and a major crisis in the housing market could easily follow."

Mr. Deslandes warned that if development land tax was set at the widely expected 30 per cent., eventually rising to 100 per cent., no one would freely release land for development. At the same time, local authorities would not

His critics were echoed by Mr. Bob Willan, president of the federation, who said that no one would anticipate selling land for development if he knew that he would retain only 20 per cent. of the resulting transaction.

He described the tax proposals as "a penal measure close on confiscation" and queried the basic motive behind them. "Is it the intention for the community to benefit or is the total destruction of thrift and wealth behind these measures?" he added.

The federation's annual report, released yesterday, says that at least some of the impact of the Government's land legislation had been watered down as a result of hard lobbying.

Limited extensions for land banks from local authority purchase and an increase in the size of plots which can be sold before development land tax was set at the widely expected 30 per cent., would make the scheme "a little less damaging." Their effects for development, however, he said, were marginal, the federation says.

# Mitsubishi £1.2m. a year for P.O. message service

By Christopher Lorenz

ONE OF Japan's largest trading companies, Mitsubishi, is to pay the British Post Office nearly £300,000 a year for the provision of an international telegraph message switching service in London.

The P.O.'s International Leased Telegraph Message Switching Service is one of the few cases where it has to compete for business: in the case of the Mitsubishi order, with organisations in the U.S. and West Germany.

The new centre acts as a "clearing house" for about 19,000 messages a day between Mitsubishi offices throughout the world. Previously, London and other European traffic was switched in New York.

The P.O. began providing private leased international message switching services in 1971. Since then, over 30 customers have based their international switching services in Britain, using P.O. facilities.

# Court told of smugglers bringing in Krugerrands

FOREIGN COURTIERS were used last April to smuggle nearly £200,000 worth of Krugerrands into Britain, in spite of the Budget ban on their import, an Old Bailey court trial was told yesterday.

There were alleged to have been three separate incidents when large quantities of these coins were brought from either Belgium or Switzerland with the aid of a hidden compartment in a motor car.

This occurred less than three weeks after the Chancellor of the Exchequer had announced in his Budget speech new regulations on the import of Krugerrands designed to strengthen the economy.

Barons Metals, of Curzon Street, Mayfair, a commodity and gold dealing firm, and one of its directors, Mr. Martin David Davies, 35, of Bridgehead, Burgess Hill, Sussex, denied being concerned in a conspiracy to break regulations on the import of Krugerrands between April 15 and May 5 this year.

Mr. John Newey QC, prosecuting, said Customs and Excise investigators visited Barons Metals because they became suspicious after stopping a young Swiss visitor at Heathrow Airport with 350 Krugerrands in his suitcase.

Both Mr. Davies and his fellow-director, Mr. John Palmer, an American who had now left London, categorically denied that they had been involved in any illicit importation of such coins.

Mr. Davies told them he had been in touch with Swiss people over a scheme to diversify into diamonds, and that he only dealt in Krugerrands with British residents. Later, 1,000 Krugerrands, worth about £30,000, were found in the boot of his Rolls Royce outside the offices.

Before the trial of Mr. Davies began, Judge Gwyn Morris dealt with the cases of three other defendants who admitted their own roles in illicit Krugerrand transactions.

Paascha David Sudwartz, 57, a diamond merchant, of Greyhound Hill, Hendon, was fined £1,000 after admitting that he was concerned in the illegal importation of 1,000 Krugerrands from Belgium on April 25.

Sentences were deferred on two Swiss nationals—Christian Schwegler, 20, and Daniel Tobias Brunner, 28—who admitted being involved in efforts to bring another 1,350 Krugerrands worth about £100,000 into Britain between April 27 and May 3.

# 'No benefits' for 250,000 jobless, says report

MORE THAN 250,000 unemployed get no State benefits, and another 500,000 have to pass a means test to get supplementary benefit, the Labour Research Department, the independent trade union research organisation, says today.

Examining unemployment figures in its monthly journal, Labour Research, the LRD calculates that unemployment has passed the 1.5m. mark—and the number who have been out of work for a long time is swelling.

Criticising claims made at the Conservative Party Conference

in October that "our social security system is abused by some who do not need help," the LRD says it is astonishing how few unemployed do get benefit.

"One way and another, it does not really sound as though people can get benefit at the drop of a hat, even though the Tory Party Conference would like to think so."

Unlike Sir Keith Joseph's Centre for Policy Studies, which claims that the official unemployment figures overstate the position, the Labour Research Department sees the situation as understated.

# HOW FAR CAN YOU GET FOR £1 THESE DAYS?

ANDORRA 4 minutes	AUSTRALIA 57 seconds	BELGIUM 4 minutes	CANADA 1 minute 20 seconds
CYPRUS 2 minutes 12 seconds	DENMARK 2 minutes 50 seconds	FINLAND 2 minutes 50 seconds	FRANCE 4 minutes
GERMANY 2 minutes 50 seconds	GREECE 2 minutes 12 seconds	HONG KONG 57 seconds	ISRAEL 57 seconds
ITALY 2 minutes 50 seconds	LUXEMBOURG 4 minutes	MONACO 4 minutes	NETHERLANDS 4 minutes
NEW ZEALAND 57 seconds	NORWAY 2 minutes 50 seconds	SINGAPORE 57 seconds	SOUTH AFRICA 57 seconds
SPAIN 2 minutes 50 seconds	SWEDEN 2 minutes 50 seconds	SWITZERLAND 2 minutes 50 seconds	U.S.A. 1 minute 20 seconds

You probably know there are some international phone calls you can dial direct.

But do you know just how many countries you can dial direct?

Or how many cities in those countries you can dial direct?

Or, most important of all, how little direct dialling can cost?

HOW MANY COUNTRIES? At the moment, if you're on an exchange with International Dialling—about 60% of telephone users already are, and the list is constantly growing—there are 26 countries you can dial direct.

Alphabetically, they range from Andorra to the USA. Geographically, they stretch round the world. And there are more joining the system all the time.

Cyprus and Finland, for example, became available as recently as November, 17th.

HOW MANY CITIES? There is a school of thought that thinks international direct dialling is confined to European capital cities.

Well, Wagga Wagga is a long way from Europe, and is certainly not a capital city, but you can dial straight through from the UK.

The same is true of Oberammergau in Germany, Skatekors in Denmark, and Fort Worth, Texas.

In most countries, anywhere linked to the automatic network can be dialled.

Which means that literally tens of thousands of places, throughout the length and breadth of Europe and North America, are within your reach.

HOW MUCH? Naturally, the price is going to depend on how far, how long and when you call.

As with domestic calls, there are major bargains to be had during Cheap Rate. But one thing is almost certainly true, whenever and wherever you call.

It's cheaper than you think. Probably a good deal cheaper. Three minutes to Zurich, for example, costs about £1.05.

Two minutes to Hong Kong will cost you £2.10.

New York costs 75p a minute. Or 50p during Cheap Rate. And Wagga Wagga, in the Australian outback? £1.05 a minute. And remember—the shorter the call, the cheaper the cost. If, for example, you can say what you have to say to someone in Brussels in 20 seconds, you'll have change out of 10p.

HOW EASY? Your Telephone Dialling Code Book contains basic information about international direct dialling, including a list of countries which can be dialled, and the dialling codes for the main towns. Which are much the same as inland codes, if a little longer.

If you want a more comprehensive list of dialling codes for a particular country, or details of international charges, we'll be happy to send you one of our special booklets. Just dial 100 and ask for Freephone 2013.

# INTERNATIONAL DIRECT DIALLING. THE WORLD AT YOUR FINGER TIPS.



Post Office Telecommunications

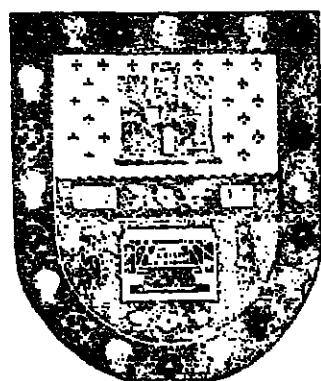
Calls are charged in units of 3p; the charges shown are based on the approximate cost per minute to the nearest penny, exclusive of VAT and do not apply to coinbox calls.





## "Midland Bank helps us provide a service rather than just products"

-John Robinson, Managing Director of Trutex Limited at Grindleton, Clitheroe



Trutex Limited has its headquarters beside a quiet salmon river on a stretch of Lancashire moorland.

"In one form or another, and on the same site," says John Robinson, "this company has been involved in textiles for 109 years.

"At the beginning, we manufactured textiles. But now we have twenty factories, a work force of around 2,000 people, and make

children's school and leisure clothes. In fact, we are a leading supplier through both small retailers and large groups.

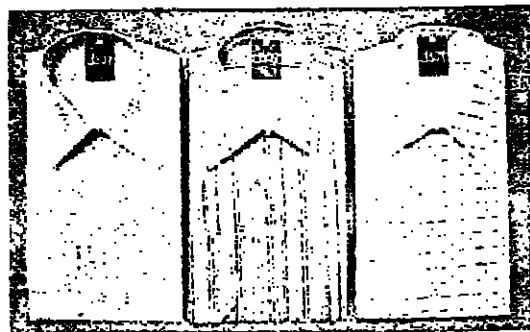
"Our growth reflects two objectives—to rationalise continually in the interests of efficiency, and to provide an important service rather than a mere range of products.

"But it is fair to add that we would have found it difficult to achieve either objective without the help of Midland Bank."

### Changing with the times

"We've banked with the Midland since 1915," says John Robinson, "and they have helped us in many ways to adapt ourselves to new conditions.

"In recent years we have specialised in children's school wear, but now we have also developed a range of colourful leisure wear for young people. To do so we have had to expand considerably, and Midland Bank has helped us in our acquisitions and building programmes. Forward Trust, another Midland Bank Group company, has also been of assistance with loans for the purchase of new machinery and equipment."



### Continued development

"One essential for continuing development," says John Robinson, "is our good working relationship with our staff.

"All our production units are small and friendly, and new arrivals in the company often ask us why our employees feel they are letting themselves down if they don't give 101 per cent effort.

"Another essential is our excellent working relationship with Midland Bank. Our confidence is based on the many years we have done business together, and on the high standard and range of services provided by Midland Bank Group."

Your local Midland branch can provide you with further details on the range of services available from Midland Bank Group.



## Midland Bank Group

**Principal trading companies:** Midland Bank Limited, Clydesdale Bank Limited, Clydesdale Bank Finance Corporation Limited, Clydesdale Bank Insurance Services Limited, Scottish Computer Services Limited, Northern Bank Limited, Northern Bank Development Corporation Limited, Northern Bank Executor and Trustee Company Limited, Northern Bank Trustee Company Limited, Midland Bank Trust Corporation Limited, Midland Bank Finance Corporation Limited, Forward Trust Limited, Midland Montagu Leasing Limited, Griffin Factors Limited, Midland Bank Trust Corporation (Jersey) Limited, Midland Bank Trust Corporation (Guernsey) Limited, Midland Bank Insurance Services Limited, The Thomas Cook Group Limited, Thomas Cook Limited, Thomas Cook Overseas Limited, Thomas Cook Bankers Limited, Samuel Montagu & Co. Limited (Incorporating Drayton), Drayton Montagu Portfolio Management Limited, Northern Bank Finance Corporation Limited, Midland Montagu Industrial Finance Limited, Jersey International Bank of Commerce Limited, Bland Payne Holdings Limited, Bland Payne Limited, Bland Payne Reinsurance Brokers Limited, Bland Payne (UK) Limited, Southern Marine & Aviation Underwriters Inc., Bland Payne Australia Limited, Guyerzeller Zurmont Bank AG.

هنگر این ایجاب



## HOME NEWS

## Lord Ryder is appointed member of NEDC

BY ADRIAN HAMILTON

LORD RYDER, chairman of the newly-formed National Enterprise Board, has been appointed a member of the National Economic Development Council.

The appointment, announced yesterday, has clearly been made to enable Lord Ryder to take an early active part in implementation of the Government's new industrial strategy—a strategy in which the NEB as the instrument of state equity holdings will clearly have a crucial position.

One of his first duties will be to take part in today's meeting of the council to consider progress on strategy and to discuss the Department of Trade's suggestions for pointing effort more firmly on the lines of export-encouragement and import-replacement.

A central point of the meeting will be to test just how committed the Government as well as unions and employers are to a strategy which has so far been expressed only in the broadest terms of intent and has yet to be formally approved by the CBI or TUC.

A joint paper on progress prepared for the meeting by the Department of Industry and the Treasury is believed to add little detail to the generalisations already presented at last month's Chequers meeting on the question.

It does, however, seem to show just how far the Government has now moved from its original intention of selecting "winners" and "losers" among industries.

Confirming that the Government is now embarked on de-

tailed studies of prospects in 30 basic industrial sectors, the paper is reported to emphasise that these sectors have been chosen not so much on the basis of the size of their contribution to the British economy.

They are then being grouped into sectors with obvious growth potential, sectors where growth potential is less obvious, but where Government assistance could help; and sectors which are vital to the continuance and success of the British economy.

This would seem to take in virtually every major industry and, as the paper emphasises, does not even mean that those left out are any less important or without potential growth.

**Danger**

The danger that this broad presentation will lead to a dilution of Government effort on the industrial front was brought out in a pre-meeting speech by Sir Ronald Macdonald, director-general of the NEDC, yesterday.

Stressing that the country only had a short period, or "window," of a few months in which to take constructive action, he declared that "what matters now is to keep up the momentum of the process begun at Chequers, however inadequate you may think it."

"We have a choice. We can take advantage of the 'window' to move on to the next stage, to stimulate investment in 1976, prevent bottlenecks arising in 1977 and lay the foundations for renewed growth in the years that follow."

"Or we can fritter it away in doctrinal argument and pre-occupation with short-term issues."

Although expressing personal confidence that Chequers did provide a starting point on which to build, he pleaded for a "greater sense of urgency."

"If we do not take action in the next few months, especially in the field of investment and skilled labour, we are bound to run into severe difficulties in the next up-turn."

The test of the questions posed by Sir Ronald will not really be seen until the January 14 meeting of the NEDC to consider the sectoral studies presented by the Treasury and Industry Department.

Besides considering general progress, today's meeting will also discuss three papers put forward by the Department of Trade setting out the need both for an export strategy and a more detailed attempt to get industry and Government departments to substitute British for foreign purchases wherever possible.

Electricity consumption is running at 8 per cent. below the levels of a year ago. The CEBG expects to burn 67m. tons of coal this year compared with 63m. tons last year. Oil consumption is being slashed during the same period from 21m. tons to 14m. tons.

But the CEBG cannot turn off its oil supplies at will. It is tied to six major oil companies and 30 smaller ones for its supplies under long-term contracts.

Those have automatic escalation clauses which have been triggered by the upward movement of oil prices.

Although the CEBG has some manoeuvring space still available to cut back further on oil supplies for burning under power station boilers, it has little

HOW EFFECTS WILL BE FELT . . . FROM POWER STATION TO SUPERMARKETS

## Industry counts cost of dearer fuel

BY OUR INDUSTRIAL CORRESPONDENT

THE HIGHER fuel prices, which have been announced this week, will inevitably have consequences throughout all sectors of industry.

In electricity, generating costs will come under further pressure. The Central Electricity Generating Board has been pursuing a policy this year of switching away from heavy fuel oil for power stations in favour of coal.

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## Competitive

In general terms, coal now has a competitive edge over oil for power station use. The CEBG strategy over the winter months is likely to be to cut back its oil burn as far as is technically and contractually possible in favour of coal.

The National Coal Board is looking forward to a winter of record production and is confident of being able to supply whatever coal the electricity industry needs.

The NCB expects to be a net exporter from the oil price rises. Some switching from oil to coal by industrial users is to be expected and the NCB has the resources to handle the extra business.

The NCB is not itself affected very much by the price increases. The Board's oil consumption is small in relation to its volume of business.

The higher fuel charges will put another 3 per cent. a year on

the costs of haulage operators, according to the Road Haulage Association.

The association, which represents some 18,000 hauliers, contrasts this latest increase with the overall 10 per cent. rise in costs in the first nine months of this year as a result of higher insurance, road licence, and other charges.

In addition to the higher fuel prices, hauliers will also have to absorb increased wage costs which could be in the region of 4 or 5 per cent., the association pointed out.

The Freight Transport Association calculates that higher fuel charges will put £23.5m. on total distribution costs.

Though most of this burden is likely to be passed onto consumers, the percentage increase will be low as total transport costs are reckoned on average to form perhaps only 8 per cent. of the sale price.

The FTA claims in its membership 14,500 companies which are "own-account" operators with some 450,000 vehicles.

The National Bus Company, which has 53 subsidiary companies throughout England and Wales, was reluctant to confirm

the exact impact higher fuel prices would have on operations. Three suppliers had notified that increases of 6½p a gallon on derv would be enforced but the principal supplier had not yet announced details.

NBC uses more than 72m. gallons a year, which would mean an increase in operating costs of around £4.5m. However, the Government does allow a rebate on the tax element of fuel costs of public bus undertakings.

The Post Office estimated yesterday that higher fuel charges would mean additional spending of around £1m. a year, but this would be on expenditure which in the last financial year totalled more than £3.4bn.

In the newspaper and paper trades the comment from Reed Paper and Board U.K. was that the increase in fuel prices would add £3 a tonne to its paper production costs, and more than £2.5m. on a full year's production. Its bill for fuel oil would increase by 2.8m. a year.

As with previous oil price rises, companies reliant on oil for the generation of power at paper mills will be at a cost disadvantage until coal reaches a competitive price.

Although the fuel price rise is an allowable cost in applications to the Price Commission, it is doubtful whether the U.K. market will bear price rises in its present depressed state.

The increase will add an extra £25m. in a full year to Britain's food producing costs on farms and market gardens, the National Farmers' Union estimated.

Mr. Richard Butler, NFU deputy president, said £2m. of this sum would be added to the horticultural industry's costs, particularly the glasshouse sector, and about £1.5m. to the poultry and egg production sector.

"The public must realise that the increased cost of food production must be met by either the consumer or the taxpayer, and otherwise producers will simply cut down production to a level they consider economic."

Similarly Esso is also slightly lower than the rest with its 4p increase on domestic heating oil (kerosene). The price of fuel oil must be met by either the consumer or the taxpayer, and otherwise producers will simply cut down production to a level they consider economic.

## More oil groups put up prices

By Ray Daft

OIL COMPANIES yesterday began falling in line with market leaders Shell and BP by increasing prices by about 3.5p per gallon on petrol and around 6.5p on home heating oil.

This became clear when more of them disclosed details of their new pricing structures. In the current depressed state of the market, none have ventured too far out of line with BP and Shell over individual prices.

As a result, some companies have decided to hold prices down below the level accepted by the Price Commission. This is the case with Esso, itself a major influence on the market. The company received approval for an across-the-board increase of 4.8p per gallon, around 0.3p per gallon more than Shell and BP.

Esso wanted to implement slightly higher petrol price increases than those announced by the other two majors. Instead it has put up the price of two-three- and four-star petrol by 2.85p wholesale, which should work out at about 3.5p retail.

On the other hand, it has increased five-star petrol by 3p wholesale, which could mean a 4p increase at the pump.

## Heating

Mobil has also put up five-star 3p wholesale although Petrofina is applying an across-the-board rise of 2.75p on all grades of Fina petrol.

The three companies have followed the Shell/BP 5.5p increase on motor diesel (derv) although Esso has trimmed its increase to 5p.

Similarly Esso is also slightly lower than the rest with its 4p increase on domestic heating oil (kerosene). The price of fuel oil must be met by either the consumer or the taxpayer, and otherwise producers will simply cut down production to a level they consider economic.

## OECD predicts slow economic recovery

BY WILLIAM KEGAN, ECONOMICS CORRESPONDENT

NEXT YEAR'S economic recovery is likely to be a slow one for the nations of the industrialised world, with inflation remaining "much higher than any of us want to see," Mr. John Fay, head of the economics and statistics department of the Organisation for Economic Co-operation and Development, said yesterday.

Mr. Fay made it clear to the annual conference of the Business Economists Group in London, although economic recovery could falter, he did not believe Governments would stand by without taking further reflationary action.

"The nature of the upturn now beginning makes me cautious about predicting a very sharp rate of recovery, and a bit suspicious as to its sustainability on the basis of existing policies," Mr. Fay said.

## Confidence

The recovery envisaged was largely the result of a cessation of inventory reduction and a "one time" fiscal boost. But there remained a big question of confidence regarding both business investment and household spending patterns. Concern about employment trends had raised the savings ratio, and while predicting that it would not rise any further, the OECD secretariat was not forecasting any important falls for most countries.

With the final forecasts of the OECD secretariat—representing 24 member nations—due to be unveiled later this month, Mr. Fay said the differences between the secretariat and member governments were less marked than had been claimed.

"I think several governments are marginally more optimistic than we are—but there is not a great deal in it either way."

An OECD forecast of growth for the area as a whole of between 3 and 5 per cent. between 1975 and 1976 meant growth "remaining rather below the potential growth rate through

most if not all of 1976."

"We would not see world trade recovering fast in 1976. In 1975 the volume of OECD exports will probably have declined by 5½ per cent. We would not see this loss fully restored in 1976," he said.

Exports to OPEC countries would grow "somewhat less vertiginously" and non-oil developing countries would cut their imports either because of domestic recession or financing problems. Moreover, although the U.S. would be expanding relatively fast, Europe would be expanding slowly.

But any fears that the recovery would peter out and lead to a "double-bottomed recession" were based on "totally unreal" assumptions about no change in governments' policies—notably the U.S. and Germany. "There are at least two general elections in 1976," Mr. Fay pointed out.

Mr. Fay said the OECD inflation forecasts were grounds for relief but not elation. Prices in the area as a whole were forecast to rise by about 8 per cent. on average between 1975 and 1976, as against 10 per cent. between 1974 and 1975, with the annual rate accelerating to 9 per cent. in second half of 1976.

The U.K. and Italy would move down to nearer the average OECD rate. But this would still leave France and Italy faster than Germany in 1976. As for the U.K., "despite a substantial improvement as the year wears on, we would see a somewhat greater differential in relation to the German benchmark."

Mr. Frank Blackaby, Deputy Director of the National Institute of Economic and Social Research, told the conference that the U.K. Government could no longer afford to sit back and allow unemployment to go on rising.

He forecast that there would be an early relaxation of hire purchase terms in the U.K.

## £25,000 prize shared

By David Fishlock, Science Editor

THIS YEAR'S £25,000 MacRobert Award for engineering innovation has been shared between two teams, each of five men, from British Rail, Derby (the five on the left in the picture), and Westland Helicopters (on the right), for contributions respectively to the Advanced Passenger Train and the Lynx helicopter.

In one case the award-winning contribution was to railway vehicle suspension and in the other to a simplified design of rotor.

The British Rail team, led by Dr. Sydney Jones, carried out a mathematical analysis of railway vehicle suspension which produced an entirely new design concept. Other members of the team were Dr. K. H. Spring, Dr. A. O. Gilchrist, Mr. M. Newman and Mr. Alan Wickens, currently head of B.R.'s Derby research laboratories.

Their new principles are now in use on the high-speed passenger train but their most spectacular application will be on the Advanced Passenger Train (APT).

The Westland team, led by Mr. J. Speckley, managing director of Westland Helicopters, produced two major innovations—the semi-rigid rotor mechanisms and con-formal gearing. Other members of the team were Mr. B. A. E. Rogers, technical director, Mr. K. T. McKenzie, deputy chief designer, Mr. D. E. H. Balmford, chief technician, and Mr. G. J. Smith-Perr (formerly group chief mechanical engineer).

Westland's citation says helicopter designers have been striving for many years to simplify rotor head design to reduce maintenance, to make rotors more reliable and to achieve better performance.

A conventional rotor head has about 80 greasing points that have to be serviced every few hours of flying time with the simplified Lynx design the number has been reduced to four.

## LOCAL AUTHORITY BONDS

Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public.

For further details please ring  
01-248 8000 Extn 459

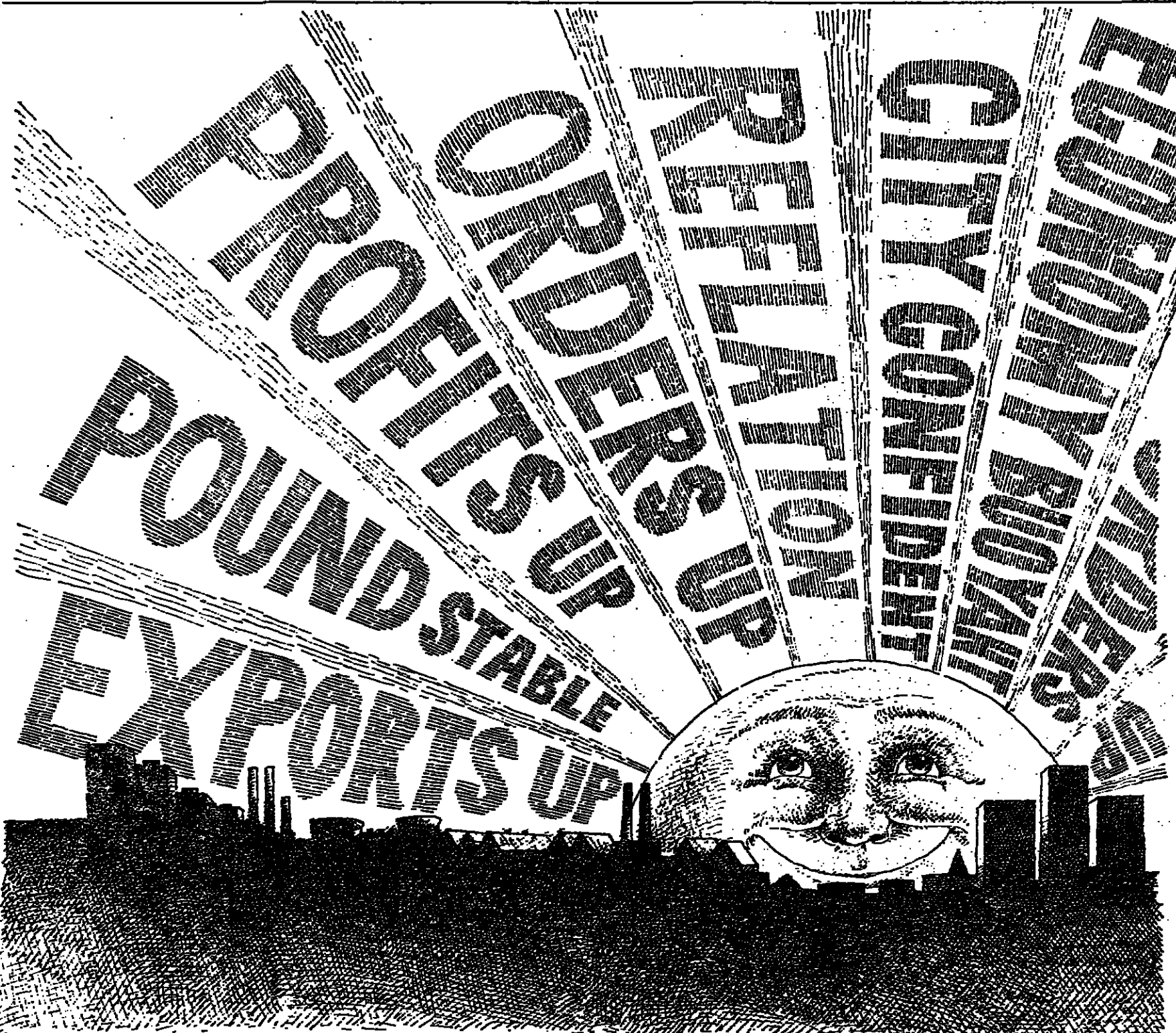
## Europe's fastest-growing textile centre...

Today the Irish textile industry is a £100 million turnover operation with an export rate of some 40%... to American, Canadian, and even Japanese companies Ireland offers the means of entering the Common Market and doing so not too expensively and with the certain knowledge that there will be help as and when required from the Authorities

Textile Manufacturer January/February 1975

## GET THE GOOD NEWS FROM THE REPUBLIC OF IRELAND

IDA IRELAND 28 BRUTON STREET LONDON W1X 7DB 01-629 4214 or 499 6155



## How to survive between now and then.

In these difficult days it pays to look at your company very carefully indeed. Assess any weak spots or hitches in your marketing, production, or delivery. And if any one area is costing you more than you feel it should, then clearly economies have to be made.

In many cases better trained people can save you money.

Well thought out training schemes can get managers and workers to do jobs in better, more economic ways. So you can cut down on wasteful use of people and materials. On assembly time. Maintenance and servicing. Delivery dates.

So, your company stays healthy during the recession. And you will be better able to cope when the sun does shine again on Industry.

The Industrial Training Board for your industry can help you organise your own systematic training tailored to your needs.

Either for full-scale training schemes or specific training programmes.

Make use of the bank of experience and understanding which Boards have built up working with their industries.

Each Board consists of key employer, trade union and education members of their industry.

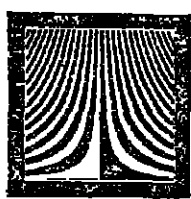
Seek the Board's expert advice. They can help you with your problems. Sometimes they can help with grants too.

For your company's sake—think about training.

TRAINING SERVICES AGENCY\*

\*An executive arm of the Manpower Services Commission.





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## © NORTH SEA OIL

### Aids study of stress in offshore rigs

LEG structures of giant oil production rigs are particularly difficult to stimulate and analyse for the complex stresses set up in them by severe wind and sea conditions. The nearby picture shows how these joints can be represented and studied, using a finite element computer program called ASAS.

Atkins Research and Development's advanced analysis team is carrying out the work as part of the Government-sponsored Offshore Steel Research Project. The company won the contract from Safety and Reliability Directorate, Culcheth, in competition with several other groups. North Sea oil production platforms take severe battering from waves and are susceptible to fatigue failure. Joints in tubular steel structures concentrate stresses and can be a potential danger unless these stresses can

be determined with accuracy. Trebling thicknesses and making the structures much more stiff will not necessarily help. Atkins staff are calculating these stresses in the leg joints for a variety of structures, starting with simple T-joints and progressing to the most complicated joints to be found in jacket structures.

### Putting Uncle John in place

THE RIG "Uncle John," currently under construction for Houlder Brothers by the Aker Group, will be equipped with an acoustic positioning system (M.A.P.) supplied by Marconi Space and Defence Systems, Frimley, Surrey (0276 63311).

Based on torpedo tracking systems developed for the Government, the system will be used aboard the "Uncle John" with thruster controls manufactured by GEC at Rugby to make a complete package. The system uses six hydrophones attached to the rig's hull and three sea bed beacons, using different operating frequencies to enable the computer to select the best reception at any given time, eliminating manual selection errors.

"Uncle John" is a scaled down H3 series rig designed for site investigation, offshore maintenance, and firefighting roles.

Diagrams of tubular joints are generated on a visual display unit.

## © COMPUTERS

### Several users on one unit

OPUS, a new multi-access package from GEC Computers, has been announced. It is a hardware/software package which allows up to 16 users to make simultaneous use of a GEC 4080 processor. A typical configuration is a GEC 4080 processor, 128K of core, two 35MB disc units, a 300 lpm line printer, an operator's terminal, a 16-channel communication control unit and multi-access software.

Expansion and enhancement is by use of higher performance peripherals or through a choice of system options such as a graphics package or a remote job entry package.

### Traffic accidents analysis

MAINTENANCE of traffic accident statistics is mandatory, and, properly managed, the data available should assist in reducing the accident level.

## © INSULATION

### Standard for double glazing

TO PROVIDE performance standards for insulating glass units, six companies making sealed double glazing units have formed the Insulation Glazing Association (IGI) (6 Mount Row, London W1Y 6DY—01-629 6334).

A rigorous testing programme has been established, and specimens submitted by double glazing companies are tested by the independent Chartered Applied Research Laboratories, South Godstone, Surrey.

Tests include seal leak detection, simulated weathering, and exposure to high humidity. Units passing the tests are awarded a certificate and carry an IGI sticker. Introduction of the scheme was welcomed by the Department of Energy as a contribution to the Government's conservation campaign.

low Seal Glass Co.; Multiglass; Pilkington Brothers; Plyglass; and Thermovitrine—have all received test certificates for their products.

To apply for testing and a certificate a company must be a member of the IGI. Further tests commence next month, but the IGI says it will be at least three years before the majority of manufacturers have been certified.

## © TEXTILES

### Weaving controls from U.S.

CONTROL equipment for the textile industry originating from the Gould Corporation in the U.S. is to be marketed in the U.K. by Tekkimp assisted by the U.S. company's subsidiary in the U.K., Gould Advance, of Bishop's Cleeve, Hereford.

## © FINISHING

### Polishing specimens

FOR BOTH laboratory and industrial users Precisionlap has introduced a small lapping and polishing machine. It is said to be suitable for light production finishing tasks and laboratory specimen preparation for metallurgical, geological and quality control uses.

Lapping or polishing plate speed is infinitely variable between 24 and 600 rpm, enabling specimens of any material and any hardness to be worked. Specimens are controlled by a

sweep arm whose arc of travel across the plate is infinitely variable between zero and 40 deg.; angular adjustment of the centre position about which the arm traverses is 30 deg.; and the speed of sweep arm is infinitely variable from 2 to 50 cycles per minute.

## © COMMUNICATION

### £24m. job for Scicon

PROBABLY the largest turnkey information handling contract awarded to date in Western Europe has gone to Scicon, the wholly-owned computer services subsidiary of British Petroleum. Worth a total of £24m, it is for an unspecified Middle Eastern Government and covers an integrated complex of computer centres and telecommunications links expected to take between 5 and 7 years to set up and operate, with Scicon the main contractor.

The hardware cost alone is put at £12m, which means that software and system works to be supplied principally by Scicon is about equivalent.

Scicon will need to draw on all its European resources and on those it has in three Middle Eastern centres and the project will be a valuable exercise in collaboration on a complex task which will place special demands on the company's training facilities.

The company operates from Sanderson House, Berrers Street, London, W1P 4AQ (01-580 5590).

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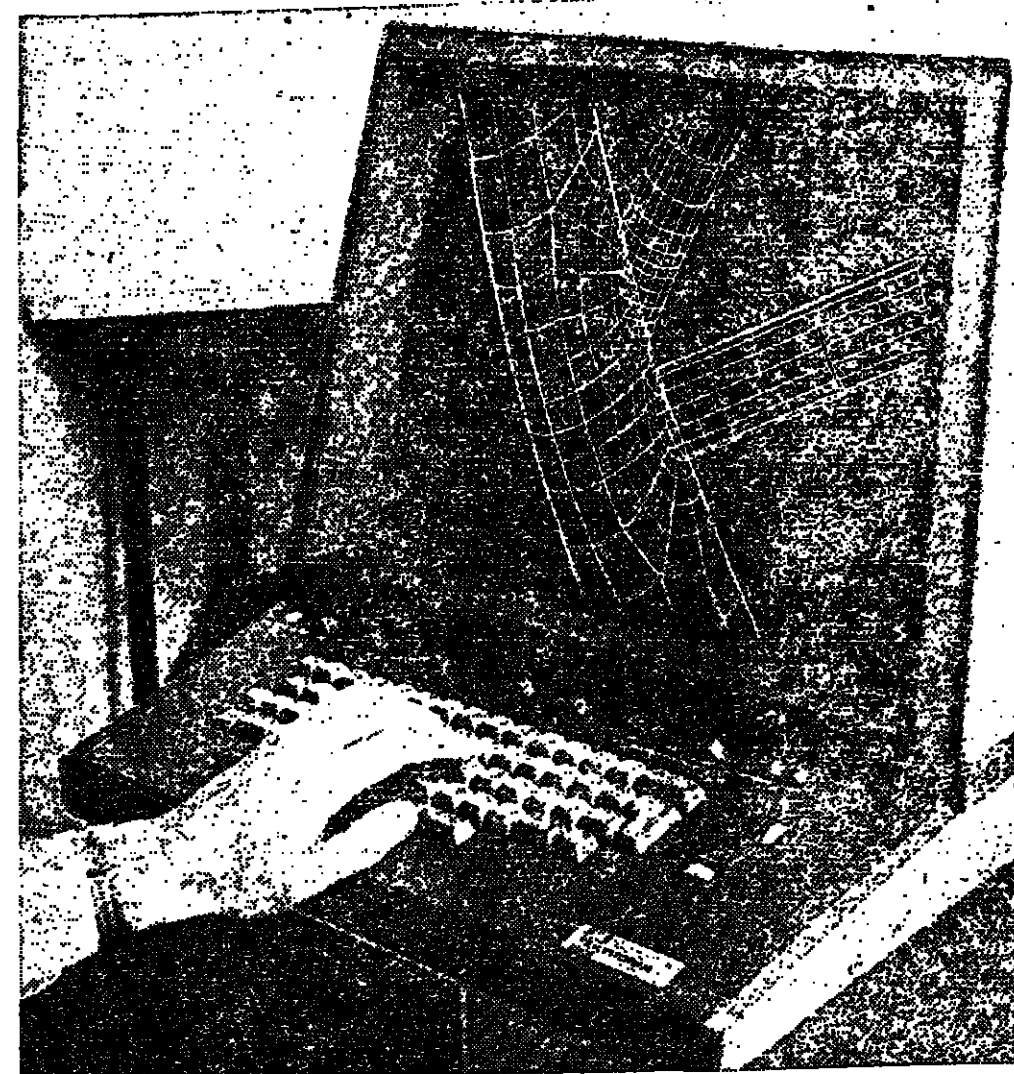
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## DOWTY

### worldwide in submarine cable laying equipment

Cheltenham, England

## © COMPONENTS

### Cathodeon production change

CATHODEON, Cambridge-based manufacturer of hollow cathode lamps, has announced plans to concentrate production on the 37 mm lamp which is now universally applicable to all atomic absorption equipment.

The 48 mm lamp has been withdrawn from manufacture. To cater for customers with Perkin-Elmer equipment a special sleeve has been designed to convert the 37 mm lamp to the required 50 mm fitting. This is available free of charge from Cathodeon or its agents throughout the world.

This rationalisation is being made so that deliveries can be improved and service kept at a high standard. The 37 mm lamp range is available with 70 different recommended elements.

Cathodeon is at Nuffield Road, Cambridge, CB4 1TF. Cambridge 56481.

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## Westland

### JOINT WINNER OF THE MacRobert Award 1975

The award has been won for the unique rotor and transmission systems used on Westland Lynx—now in full scale production to meet £70 million orders for Britain, France, Brazil and Holland.

Westland translates British technological innovation into export orders.

# LYNX

## Westland

Westland Helicopters, Yeovil, England

3 times winner of the Queen's Award to Industry

مركز الأبحاث



The Financial Times Wednesday December 3 1975  
STOCK EXCHANGE BUSINESS IN NOVEMBER

## Further improvement in turnover in all sectors

BY GEOFFREY FOSTER

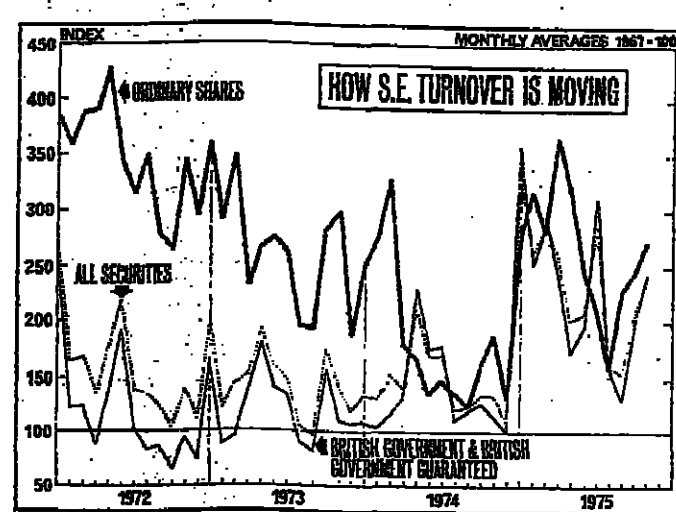
U.K. Stock Exchange trading conditions in November were active, a further improvement in turnover being recorded in all sectors. Total turnover last month of £7.5bn. was up £1.1bn. just over 16 per cent. in money terms, on the October figure and some 56 per cent. up from September's £5.5bn. September's total is the lowest so far this year. November's rise is even more marked when taking into account the fact that there were three fewer trading days in comparison with October.

The number of bargains rose by a mere 5,588 to 481,341 but the Financial Times Turnover Index for All Securities of 240.0 compared with 206.5 in October and 153.7 in September; the year's high so far is the 355.8 attained in January.

As in October, the big improvement in business was due to increased volume in gilt-edged securities. Here, turnover rose by just over £1bn. to £5.7bn., the highest since July's £7.2bn. and some £2.7bn. above September's depressed level of £3bn. Unlike the previous month, the improvement was not entirely due to activity in short-dated stocks. In fact, business in this region declined £0.2bn. on the month to £2.7bn. The medium and longer end of the gilt-edged market provided the boost in business volume, with turnover in other fixed-interest stocks rising £1.5bn. to £3bn. Bargains increased by 5,183 to 64,074, indicating that larger deals were transacted throughout the month. The average value per bargain in business volume, with turnover in the short but by a huge £41,480 to £91,753 in other securities.

The Financial Times turnover index for British Government Securities last month was 242.8 against 198.5 in October, the years high and low figures so far being 356.9 (January) and 129.9 (September).

Business volume in equities improved. November's total of £1.5bn. was £0.1bn. up from the long tap, Treasury 12½ per



October's £1.4bn. and £0.6bn. cent. 1992, also ran out, resulting in the long end of the market going sharply better in response to heavy buying of the default tap stock.

Closing October at 58.05, the Government Securities Index moved between extremes of 58.65 (November 25) and 58.05 (November 5) before closing the month 0.32 higher at 58.37. During November, equity prices reached new peaks for the year.

Share prices however, began to look tired towards the end of the month. Disappointing third-quarter figures from I.C.I. served to dampen sentiment, while a further 1 per cent. reduction in M.L.R. to 11½ per cent. on the last day of November failed to bolster flagging enthusiasm.

From an end-October level of 351.2, the Financial Times Industrial Ordinary Share Index touched a 2-year high of 377.8 on November 19 before easing steadily to close the month at net 6.1 points higher at 367.3. South African gold shares fell for eight consecutive trading days in November on a declining price and the continuing political uncertainties concerning the Angola-South West Africa political situation.

Category	Value of all purchases and sales £m.	% of total	Number of bargains	% of total	Average value per day £m.	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	2,687.8	34.2	20,853	4.3	134.4	128,893	1,042
Others	3,048.1	38.8	33,221	6.9	152.4	91,753	1,461
Irish Govt.	238.8	3.8	2,426	0.5	11.9	98,431	122
U.K. Local Authority	186.7	2.2	6,237	1.2	9.3	29,934	312
Overseas Govt. Provincial and Municipal	13.3	0.1	1,538	0.3	0.7	8,675	77
Fixed Interest Stocks Pref. and Prefd. Ordinary Shares	133.0	1.5	35,295	7.4	6.6	3,767	1,764
Ordinary Shares	1,524.1	19.4	381,771	79.4	76.3	3,997	19,089
TOTAL	7,833.9	100.0	481,341	100.0	371.7	16,275	24,067

\* Average of all securities.

LAWN TENNIS BY JOHN BARRETT

## Nastase genius sinks Orantes in thriller

STOCKHOLM, Dec. 2

THAT MERCURIAL genius of the courts, Ilie Nastase, putting the embarrassment of Monday's disqualification behind him, produced some magnificent Romanian magic to defeat Spain's Manuel Orantes 3-6, 6-4, 6-4 in just 90 minutes.

It was a fine match, full of inventive shots played at lightning speed by two of the most artistic of today's top players. For a set Orantes was full of the flair and confidence that has brought him six Grand Prix victories this year, during the course of which he has beaten Nastase three times, in Hamburg, Toronto and in the quarter-finals of the U.S. Open, which Orantes went on to win.

Nastase last night was in an almost carefree mood. "I can only play if I am completely natural," he once said, to explain those undignified outbursts which have so often marred his performances. Fortunately, apart from a brief scream of anguish at a young linesman following a doubtful service call, and a short but heated objection to the movements of a court-side photographer, Nastase was in one of his happier frames of mind.

One must add that the equally cheerful mood of Orantes—surely one of the most likeable characters ever to have picked up a tennis racket—contributed to a sane atmosphere at last, which, in turn, produced some beautiful tennis that had the capacity crowd of over 4,000, prolonging their applause at the changeovers in appreciation.

### Memorable

There was one truly memorable rally in the closing stages of the second set that stopped the show for several minutes. As the two bisected the angles of the court, anticipating the replies and racing to all corners

of the court in pursuit of delicate jobs and drop shots, the crowd could not contain their excitement. In the deafening applause that greeted the end of the rally both players responded with smiles and appreciative gestures.

The support of the crowd, as it so often does, lifted Nastase to heights of his former greatness as he served, volleyed and passed with his old crisp and remarkable precision.

Every punch that the Spanish middleweight threw at him Nastase parried, countering with a firmness that has been lacking from his game of late. From then, but my legs just wouldn't carry me," he explained.

The result has brought nearer the likelihood of mathematical complications in the White group. With one match each to play, Ashe now has two wins and Orantes and Nastase one each. If Adriano Panatta beat Nastase to-night, and Orantes beat Ashe on Thursday there would be a triple tie for the second place, with the result depending upon the percentage of sets won.

There is less complication in the Blue group where Guillermo Vilas, the Argentine left-hander, who has won the Grand Prix for two years and holds the Masters title, and his close friend Bjorn Borg, the local boy who has made good so spectacularly, seem sure to be involved in Saturday's semifinal.

Last night Borg scored his second victory by soundly beating Harold Solomon, 6-2, 6-2.

FT CLIPPER RACE BY ALEC BEILBY

## Great Escape due in a week

THE CREW of the Italian yacht an impressive welcome and will for 24 hours after a 91-day voyage ensure that she receives every possible help to see that she is ready for the start on December 21.

Still at sea, the crew of the Dutch yacht Great Escape have radioed that they are 450 miles like CS and RB II, the yacht will due south of Adelaide and while not needed to be slipped, and her no estimated time of arrival was stores, as well as three relief given, yachtsmen in Sydney think that they should be here about date, Great Escape will have made the 14,500 miles passage in with the large Dutch community 102 days, comparable with that in Australia, who are preparing of Sir Francis Chichester in 1967.

APPOINTMENTS

## Lord Nelson on International Nickel of Canada Board

Lord Nelson of Stafford, chairman of the General Electric Company, has been elected a member of the Board of directors of the INTERNATIONAL NICKEL COMPANY OF CANADA. Lord Nelson, who had previously served on the Board from February, 1966, to January, 1974, has been a member of its advisory committee since 1974. A director of the Bank of England, Lord Nelson is also joint chairman of Babcock and Wilcox and Taylor Woodrow Atomic Power Construction Company and joint deputy chairman of the British Aircraft Corporation.

Mr. James C. Parlee will resign on December 31 as vice-chairman of the International Nickel Company of Canada in anticipation of his mandatory retirement early in 1978. Mr. Charles F. Baird, who has been elected vice-chairman from January 1, has been senior vice-president since September, 1972, and a director since January, 1974.

Mr. Ernest Hall, vice-chairman of Birds Eye Foods Limited, has become the new president of the U.K. ASSOCIATION OF FROZEN FOOD PRODUCERS, succeeding Mr. Kenneth Webb. Mr. Hall will continue as chairman of the Association.

Herr Walter Gleich, a managing director of Norddeutsche Affenerie, has been appointed a director of HALLS CANNING METAL CORPORATION, which is controlled by Patino NV.

Mr. Andrew Ross has joined the Board of W. CANNING to fill the newly created post of marketing director. Mr. Ross was previously European director of Spicers, part of Reed International.

Mr. Basil Turrey, managing director of VICTORY INSURANCE, will retire on May 31, after 30 years with the company. Mr. C. S. S. Lyon will relinquish the position of chief executive from April 1 and will return to Legal and General Assurance Society to take up a senior appointment. He will remain on the company's Board. Mr. A. L. Preston, deputy general manager, takes the post of chief executive from April 1 and will be appointed to the Board from that date.

Mr. Richard Ling has been appointed a director and financial controller of CRODA POLYMERS GROUP from January 1.

Mr. A. C. Landor will resign as a managing director of LANDAUER (Fibres) on March 31. He will continue as a director and consultant to the company.

Mr. R. E. Bussy has been appointed financial controller of BALL AND COLLINS (Oil and Gas).

Mr. Peter Gartrell has been appointed to the Board of PROFERTY GROWTH ASSURANCE as marketing director. This

follows an earlier change in divisionalisation of the company earlier this year, are from January 1. The company's existing subsidiary, Hydrex Engineering, will continue unchanged. The new companies and their boards are: HIGH DUTY ALLOYS CASTINGS: Chairman, Mr. I. C. Dick; managing director, Mr. G. Radde; commercial director, Mr. K. C. H. Field; foundry director, Dr. C. Wilson.

Mr. Eric Wigley has been appointed a director of DOVER ENGINEERING GROUP.

Mr. Aubrey Sacks has been appointed managing director of Arvm Furniture, the A. ARENSON (HOLDINGS) subsidiary. He has had more than 30 years' commercial executive experience at Board level.

Mr. D. J. Joy has been appointed managing director of PORTEC (U.K.), a subsidiary of Portec Inc. of Oak Brook, Illinois. He was previously deputy managing director of Polysac BAL, a member of the Weir Group.

Mr. William Hawkins has been appointed a director of TURNER CURZON, with responsibility for the company's manufacturing interests.

Mr. David Granter has been appointed deputy chairman of CAPEL-CURE MYERS. Sir David Hill-Wood has been appointed managing director of the gilt and fixed interest department.

Mr. G. Brown has been appointed a director of TRIPLEX FOUNDRIES. He was appointed managing director of E. D. Hinchcliffe and Sons when that company was acquired by Triplex Foundries Group in 1962.

Mr. M. H. F. King has been appointed a director of the NATIONAL EMPLOYERS' MUTUAL GENERAL INSURANCE ASSOCIATION.

SPICER-COWAN, part of Reed International, has announced that three directors of the company who have held regional posts are leaving its Kent head office. Mr. Bill Kerr becomes branch operations director. Mr. Leslie Lynch is appointed buying director and Mr. Douglas Yeoman is named national accounts director.

Air Marshal M. J. Beetham, deputy commander-in-chief, RAF Strike Command, is to be commander-in-chief RAF Germany and commander Second Allied Tactical Air Force from January 19 in succession to Air Marshal Sir Nigel Maynard.

CATER RYDER has announced the following appointments: Mr. A. K. Brown, Mr. D. J. Coe, Mr. P. G. Cairns, assistants to the directors, and Mr. D. M. Broek, assistant manager.

Activities of High Duty Alloys, HAWKER SIDDELEY's metals company, are to be undertaken by three new wholly-owned subsidiaries: High Duty Alloys Castings, High Duty Alloys Forgings and High Duty Alloys Extrusions. The changes, which follow

Mr. R. F. Richardson, managing director of Abbey Life, has been appointed group general manager and president of HARTFORD EUROPE, following the retirement of Mr. C. F. Eksever.

Mr. Tan Sri Tan Chin Tuan has resigned as chairman and as a director of SIME DARRY HOLDINGS. Mr. J. E. Rywater, Sime Darry's chief executive, has been appointed chairman. Mr. Tan Sri Chin Tuan announced his intention to retire and Mr. Rywater's acceptance of the chairmanship in his statement in the company's annual report published last month.

New editors for BBC Radio 4 programmes, The World at One and The World Tonight, will take over on New Year's Day. Mr. Derek Lewis has been appointed editor, afternoon current affairs programmes, covering The World at One, PM Reports and The World This Week. He has been editor, evening current affairs programmes, since April last year. He succeeds Mr. Andrew Boyle, who is undertaking a special attachment in BBC Scotland. Mr. Alastair Osborne, currently editor of Radio 4's early-morning Today programme, transfers to the post of editor, evening current affairs programmes, covering News Desk, The World Tonight and The Financial World Tonight.

Mr. Ralph Pearson has been appointed a director of WELL-MAN ALLOYS and retains his responsibility for the metallurgical activities of the company. Mr. David Seabridge, sales manager, has become sales director.

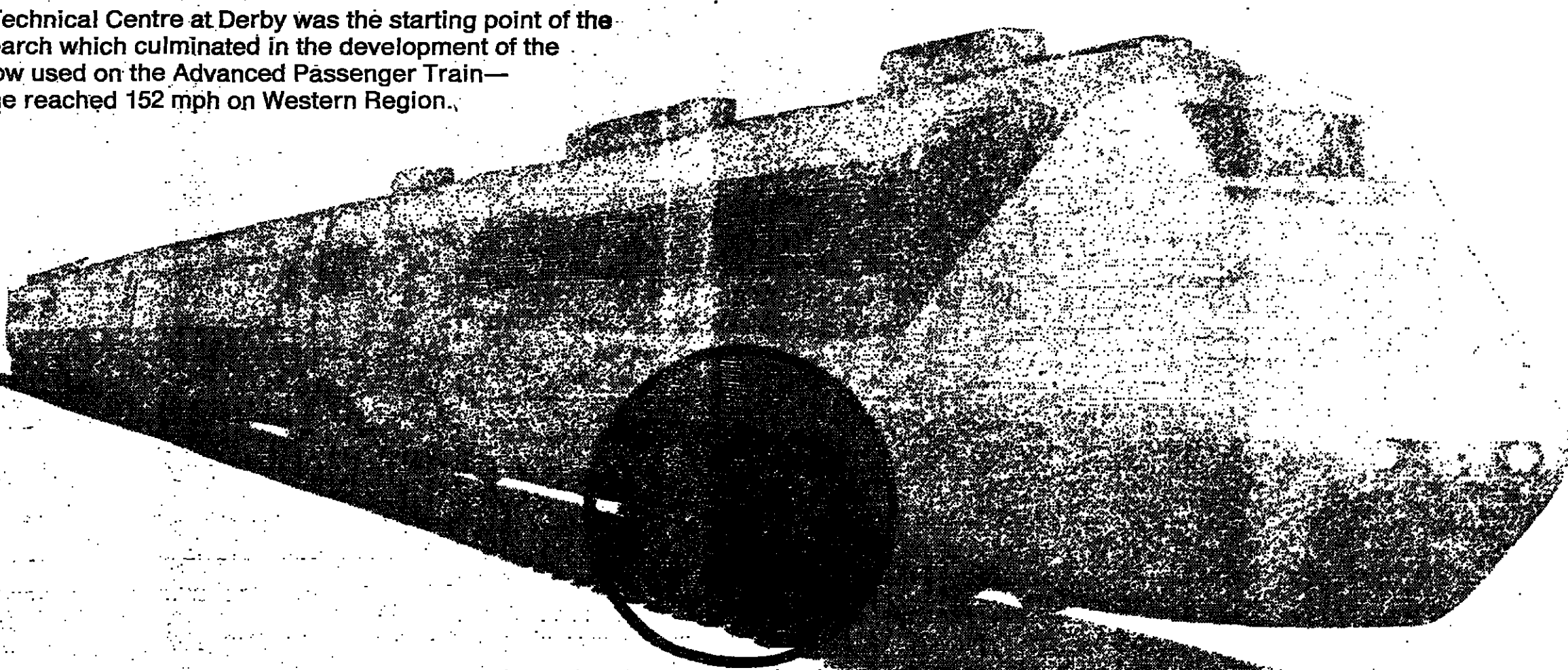
# British Rail are proud to be joint winners of the 1975 MacRobert Award by the Council of Engineering Institutions

for work in developing rail vehicle suspension systems—including those now on the Advanced Passenger Train.

The team was led by five of our top technologists: Dr Sydney Jones, Dr Kenneth Spring, Professor Alan Wickens, Michael Newman, and Dr Alastair Gilchrist.

The Railway Technical Centre at Derby was the starting point of the intensive research which culminated in the development of the suspension now used on the Advanced Passenger Train—which last June reached 152 mph on Western Region.

This Centre is the largest and most advanced of its kind, with expertise and knowledge which enables British Rail to undertake technical investigations for proposed as well as existing railways and kindred surface guided transport throughout the world.



 British Rail







December 3 1975  
DRINK DU' PRETZ  
Capital of Dues  
and the Insoum...

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# LABOUR NEWS

## Two more unions pull out of print technology talks

BY ROY ROGERS, LABOUR CORRESPONDENT

THE CHANCES of a peaceful Friday at what was to have been a "crisis" meeting. The NGA decision was not entirely unexpected and stemmed from the refusal by the other unions to agree that wherever possible traditional demarcation lines should be maintained whenever new computer-based technology is introduced.

Yesterday's decision by the NGA news trade group committee and a similar move by the Amalgamated Union of Engineering Workers follows the week-long decision by SLADE (the process workers) to withdraw from the talks.

This leaves only four printing industry unions—the Society of Graphical and Allied Trades, the National Society of Operative Printers, Graphical and Media Personnel, the Electrical and Plumbing Trades' Union and the National Union of Journalists—who will meet the employers on

Friday at what was to have been a "crisis" meeting. The NGA decision was not entirely unexpected and stemmed from the refusal by the other unions to agree that wherever possible traditional demarcation lines should be maintained whenever new computer-based technology is introduced.

Demarcation issue  
In effect, the NGA is asking for agreement that its members, whose jobs will be hit hardest by the new technology, should man the computer terminals in the new computerised process which will replace their traditional type-setting role.

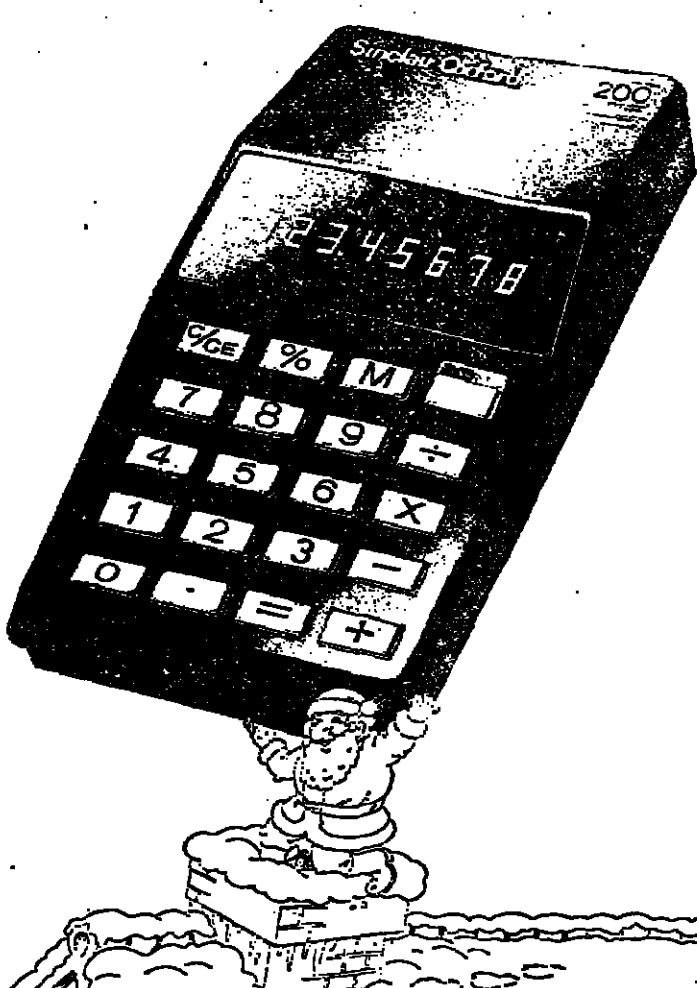
If, as seems likely from yesterday's decision, the NGA sticks to its insistence on maintaining demarcation lines, the major technological advances planned by several national newspapers including the Daily Mirror, the Daily Telegraph and the Finan-

## Chrysler faces occupation of Coventry plant

BY PETER CARTWRIGHT IN BIRMINGHAM

CHRYSLER management was warned yesterday that if there was going to be a complete withdrawal of manufacturing from its headquarters in Coventry, it could expect to face an occupation of its Stoke factory which makes engines and transmissions.

This is the key factory involved in the big Iran contract to supply Hunter cars in kit form and which the Government is concerned to preserve. Chrysler stewards who met yesterday decided almost unanimously to occupy the factory if the company tried to pull out entirely and the Government



## A gift for the slimmer stocking

This Christmas, you stand a fair chance of getting or giving a calculator. And perhaps you feel it doesn't matter which one you get. Admit it—they all look the same to you. Well they aren't. Only Sinclair calculators look like Sinclair calculators, because Sinclair have an eye for the details of a slimmer figure. The Sinclair Oxfords have big wall-to-wall display windows. Big easy-on-the-eye displays. Big, clear keys. And a slimmed-down, smoothed-off shape. Every corner rounded. A subtle dip to the keyboard and a rake to the top that gives a most up-to-date wedge profile. All in a deep, smooth matt black. The Oxford performance matches the Oxford styling. And the price of every calculator in the range makes it an ideal filler for today's slimmer stockings. The first calculator we ever made ended up in the New York Museum of Modern Art. It also got a Design Council Award. So ask for a Sinclair calculator this Christmas. It's cheaper than the Mona Lisa. Personal calculators by Sinclair: a range of six, from around £9.95. Available from Boots, Currys, Derek Gardner, Debenhams, Harrods, Lewis's, Loyds, Ryman's, Selfridges, W.H. Smith, Greens, Henrys-Lindair, Laskys, McOmney, Underwoods, Westons. In Scotland—Lizars, Elena Mac, McOmney, Menzies. And other leading stores.



## Defeated Left-wing official to seek new AUEW post

BY OUR LABOUR CORRESPONDENT

MR. BOB WRIGHT, the Left-winger voted off the executive of the Amalgamated Union of Engineering Workers last month, is to stand next March in a bid for the job of one of the union's assistant general secretaries. His main opponent for the vacancy, following the retirement of Left-winger Mr. Ernie Roberts in April 1975, will be Mr. John Weasley, a Right-winger who won the post after Mr. Kea Brett, a Communist. Mr. Wright is a leading motor industry negotiator and has played a leading role in the Wright's last chance to continue as a major figure in the union because if defeated, he will be obliged to return to work on the

shop floor, after 20 years as a full-time AUEW official, or leave the union entirely. At the same time it will be seen as a major opportunity for the Left-wing to salvage something from recent elections which brought dramatic victories for Right-wingers who won control of the seven-man executive. However, the Left just managed to hold on to the other assistant general secretary post held by Mr. Kea Brett, a Communist. Mr. Wright is a leading motor industry negotiator and has played a leading role in the Wright's last chance to continue as a major figure in the union because if defeated, he will be obliged to return to work on the

## Steel union opens pay talks with BSC

BY LORELIES OLSLAGER, LABOUR STAFF

THE BRITISH Steel Corporation, already engaged in a hard struggle with the trade unions over its request for a drastic reduction in labour costs, is this week receiving pay claims for some 120,000 of its employees. Yesterday, the Iron and Steel Trades Confederation—the biggest union in the industry—opened pay talks for some 70,000 manual workers whose current 18-month agreement provides for an increase in cost of living. January in line with the movement in the cost of living between October and December. Apart from wanting to settle the union's demand for a 7.5% increase, BSC is also exploring whether further index-linked rises can be arranged under the new modern furnace on Llanwern will be published. On Friday, unions representing the corporation's 50,000 staff are yesterday.

## Unions will be consulted over pensions

By Eric Short

THE FIRST regulations under the Social Security Pensions Act were laid before Parliament yesterday by Mrs. Barbara Castle, Social Services Secretary. These impose a legal obligation on employers to consult employees and their trade union representatives before deciding whether to contract out of the proposed second tier State pension set up under the Act.

Employers will have to explain to employees and unions the benefits they will receive from occupational pension schemes and from the State scheme, and the size of the contributions to be paid for these benefits.

If an employer intends to contract out and provide the second pension by means of an occupational scheme, then he must allow at least three months for these consultations.

At the end of this period he can apply to the Occupational Pensions Board for a contracting-out certificate, but this will only be issued if the Board is satisfied among other things that the procedures of these regulations have been followed.

Employers or unions can appeal to the Board if they consider that proper consultations have not taken place and disputes can be referred to the appropriate industrial tribunal.

Employers with more than one pension scheme can consult employees and unions on an individual or a group basis, whichever is more convenient, subject to union approval.

## Herbert hopes for peace over 850 run down

BY OUR MIDLANDS CORRESPONDENT

IN SPITE of hostility by production and staff employees to compulsory redundancy, Alfred Herbert, the alling Coventry-based machine tool producer, is hopeful of achieving its planned run-down of 850 of the labour force to 5700 by the end of January without confrontation. Notices to the 350 staff affected have been sent out with a last day of service of December 12. Their representatives have been even more determined to resist compulsory redundancy than their shop floor colleagues, but have been smoothed over with the offer of somewhat more generous terms to accept voluntarily, but with a shortened life at the plant. The 300 indirect and 200 direct workers have taken a different course in preferring a longer term to achieve their planned run-down. Compulsory redundancy has been deferred until the end of January. By that time it is hoped that at least 550 of the 850 will have opted for voluntary redundancy. However, the programme will have to be followed by more redundancies unless the order book is maintained and the grinding business at Red Lane, Coventry, cannot be sold. A further 300 jobs there are at risk.

## Hawker men in bid for more work

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SHOP STEWARDS representing workers at the Hawker Siddeley Aviation factory at Hatfield, Hertfordshire, have begun a campaign to get more work and thus stave off the possibility of redundancies. The shop stewards, acting on behalf of over 4,000 workers, are arguing that unless the Government ensures new work for the factory there is a possibility that it will have to close. Some of the departments working on Trident for China have already run out of work, and the contract as a whole is expected to end in about 18 months' time.

But the shop stewards also say that there are several options available. One is to stimulate new orders for the Trident itself. Another is resurrection of the RS-146 feeder-liner, shelved a year ago. A third is extending the life of existing Tridents in British Airways' fleet by putting in new components, pending the launching of a new version of that aircraft with quieter engines. The shop stewards also argue that there are good prospects of work from sales of Hawk and Harrier fighters overseas, if the Government encourages such activity.

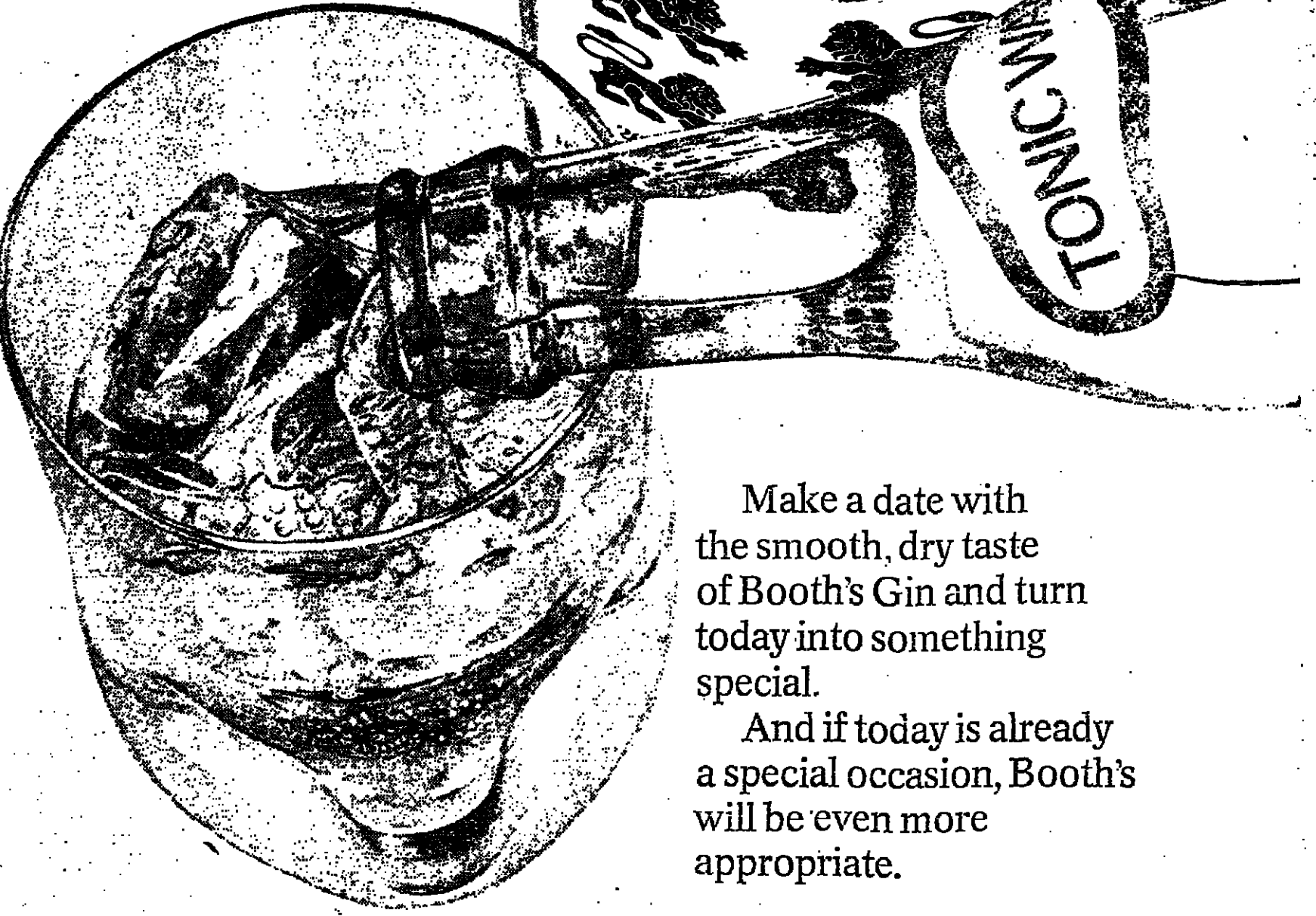
Mr. Derek Hollingsworth, the works convenor, said yesterday that Hatfield was one of the few factories in the world outside America recognised by the major airlines as being fully competent to design, manufacture, flight-test and sell a modern jet airliner. "We believe that no administration in its right mind would allow such a priceless national asset to collapse."

The Hatfield shop stewards will say in their meetings with MPs and Ministers, and throughout their campaign, that failure of the Government to take the steps needed will not only result in the country's sole queues growing longer, but that the aerospace industry's export achievement (£631m. last year) will be eroded.

## Union shift on balance of power

PROGRESS of the country's third biggest union towards greater control by lay members was marked yesterday when the newly structured executive council of the General and Municipal Workers Union completed its first session. The council, which takes full authority in January, has 30 members: 20 shop-floor members elected every two years and ten regional secretaries who are appointed and give up their seats on retirement. Politically, the balance in the new council has not shifted markedly, but the new structure will give union activists greater opportunities in future to steer the national policy of the traditionally moderate 884,000-member union.

## Today's date



Make a date with the smooth, dry taste of Booth's Gin and turn today into something special. And if today is already a special occasion, Booth's will be even more appropriate.

# Smooth Booth's

## SOTHEBY'S SELL SILVER



One of a pair of silver-gilt wine bottles in the form of pilgrim flasks, by Jonathan Boddington, 1699, 16 1/2 inches, sold on 26th June, 1975, for £62,000

The Silver department has a staff of four experts available from Monday to Friday between 9.30 am and 4.30 pm to advise on buying and selling silver of any quantity or quality. Their names are Richard Came, Peter Waldron, Eleanor Thompson and Vanessa Brett.

### Sotheby's

Sotheby Parke Bernet & Co., 34-35 New Bond Street, London W1A 2AA. Telephone: 01-493 8080. Telegrams: Abinitio, London. Telex: London 24454





## Tory sees threat to pensions 'treaty'

BY ERIC SHORT

THE Labour Party must declare that interference with pension funds is firmly ruled out of any future policy, Mr. Kenneth Clarke, a Tory spokesman on pensions and social security, told an Industrial Society conference yesterday.

The development of occupational pensions had been badly damaged by political uncertainties and changes in policy, declared Mr. Clarke. To avoid this, the Government and the Conservative Opposition had adopted a bipartisan approach to the future structure of pensions.

This important political "treaty" was now being put at risk by threats from the Left on the investment freedom of pension fund managers, he said. Numerous policy committees of the Labour party and leading trade union speakers were demanding, with increasing frequency, that pension funds should be directed into aiding manufacturing industries, nationalised industries, public housing and other purposes.

If the Government ever adopted such a policy, it would amount to legalised theft from the savings of working people invested in pension funds.

Mr. Clarke said that managers of pension funds had the duty to invest to produce the maximum return. Any direction of investment would lead to lower returns depriving the fund of the security expected.

The Conservative party had played its part in removing uncertainty so that employers and trade unions could confidently plan their pensions within the new structure, by guaranteeing no further changes. It would have been double-crossed if Labour allowed its wild men to threaten to manage the assets of pension funds, he added.

# Clause 4 wins no converts

BY PHILIP RAWSTORNE

AS IF ENGAGED in some primitive ritual, the Commons yesterday began the nationalisation of the aircraft and shipbuilding industries.

Mr. Eric Varley, Secretary for Industry, intoned a liturgy of the industries' deficiencies and promised salvation through public ownership.

Mr. Michael Heseltine, roaring hell-fire from the Tory front bench, conjured up visions of Labour's previous victims in damnation of the heresy.

Throughout it all, Mr. Eric Heffer, the former Industry Minister, led an alternating chorus of protests and pleas. "There is nothing like Clause Four to stir the political atavism of MPs."

Mr. Varley proclaimed the sins of private enterprise in a voice that managed to sound both matter-of-fact and passionate.

In both these industries, he declared, private enterprise had "failed to deliver the goods"—

that, in a nutshell, is one, only one, unanswerable argument for nationalisation.

The reorganisation of the industries was vital if they were to surmount the difficulties that faced them, he said, blunting heavily at a run-down of the aircraft sector.

The fragmented structure of the industries, the lack of co-operation between companies, their wasteful duplication of resources—all meant that the industries could not realise their full potential.

Unified control would enable them to fulfil their promise, said Mr. Varley, without converting any of the sceptics on the Opposition benches.

"Nationalisation offers an opportunity to make a fresh start...," he added and industries which depended for their existence on public money could not be called genuine examples of private enterprise anyway.

With even the Scottish Nationalists still un-

impressed, Mr. Varley finally summoned the spirits of the workers. They wanted it, he said, and the fundamental shift of wealth and power it would bring them.

Mr. Heseltine's response was rough, to say the least. The Government placed a faith in the change of ownership before he complained. Half of all the taxes paid by the private sector were now being used to subsidise the nationalised industries.

And yet the Government pursued its narrow dogmatic approach, still hoping for a revival of British industry.

There was no strategy, plan or vision for the future in the Government's proposals, Mr. Heseltine declared. Instead, offering terms of confiscation rather than compensation it was pandering to the insatiable appetite of extremist Left.

# Varley says private enterprise has failed to deliver the goods

Workers will be entitled by law to be involved in decisions which affect their livelihood.

The shipbuilding market was likely to stay depressed in the foreseeable future and it was therefore more than ever important that Britain should have an efficient industry.

Private enterprise had shown itself incapable of dealing with its own difficulties and failings, and nationalisation was necessary to ensure efficiency.

Above all, the Bill helps to fulfil our aim of bringing about a fundamental and irreversible shift in the balance of wealth and power in favour of working people and their families.

On shipbuilding, Mr. Heseltine said: "Once again dogma has been accorded a higher priority than industrial rationalisation."

Urgent and obvious problems had not only not been solved; they had not even been discussed.

Terms of compensation being offered by the Government were more like terms of confiscation.

"They bear no relation to the asset values of the companies concerned."

In Hawker-Siddeley's case the value appeared to be just over half the net asset value on January 1, 1973.

Is this really fair to 60,000 direct shareholders and hundreds of thousands more whose savings are invested?

Returning to the terms given by the Government for Court Line assets last year, Mr. Heseltine said: "What an incredible position when a bankrupt company can sell its assets to the Government at one price, while

out precedent for two wholly owned industries to be nationalised in one Bill."

Another precedent was that 43 companies were being taken over by one Minister, and 143,000 people transferred from the private to the public sector.

The first crisis will bring a demand from the Secretary for Industry for cash, and the Treasury will impose a monitoring process with the ruthlessness with which they control the public sector.

Liberal industry spokesmen, Mr. Richard Wainwright, said that Liberals would vote against the Bill, which was "an insult to democracy." Firms which had proved themselves viable were being put in the Bill with a large number of firms whose future was doubtful.

Liberals believed that some painful decisions should be taken. The construction of conventional ships, faced a generation probably of gross over-capacity.

Liberals thought that viable companies should be left alone, while others should be enabled, by a very modest expenditure of public money, to run down their capacities to meet the low state of world demand.

Mr. Julian Amery (C, Brighton Pavilion) recalled that when he was Minister of Aviation he had as much control over the private sector as over the publicly-owned sector.

But private firms were more flexible in dealing with foreigners, and were not subject to the same political pressures over charges and credit terms.

Mr. Terence Walker (Lab, Kingswood) said the Bill would be widely welcomed by those working in the aircraft industry but he expressed concern and alarm about the proposed cutbacks in the Concorde workforce of the British Aircraft Corporation.

Mr. Gordon Wilson (SNP, Dundee E) said his party had no alternative but to oppose the Bill since it would take a considerable amount of decision-making away from Scotland and did not contain adequate proposals to decentralise industrial authority away from London.

It was clear that nationalisation was not a guarantee that jobs would be maintained. What the shipbuilding industry needed was good management. Nationalisation would probably produce only more administration.

The Government already had the tools necessary to intervene and give financial assistance to industry, through the Scottish Development Agency and the National Enterprise Board. But they had chosen the blunt instrument of nationalisation, bound up with State monopoly and large units with huge bureaucracies attached.

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# Healey wants to build on ground won by £6 policy

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

GOVERNMENT discussions with both sides of industry over the next stage of the incomes policy will begin early in the New Year, Mr. Denis Healey, Chancellor of the Exchequer, told the Commons yesterday.

"We are confident of reaching agreement on an adequate new wage policy in good time before the next wage round begins," said the Chancellor, stressing his determination that economic ground gained under the present £6 pay limit policy should not be lost.

"The Government has made clear on many occasions that it believes it would be a great mistake to win one battle and lose the war," Mr. Healey claimed.

The Chancellor was challenged from the Labour benches to say clearly what the Government proposed to do to bring a continuity of policy that would provide grounds for industrial investment confidence.

Mr. Healey, who was standing in for the Prime Minister, attending the Rome summit, assured his inquirers that Mr. Wilson and he rarely met the leaders of industry without discussing the problems of investment with them.

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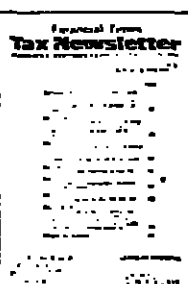
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when taxes levied by one arm could well be returned by another.

Throughout the world, new and complex taxation has created a maze of red tape which business organisations are finding increasingly hard to untangle. That's where the Financial Times TAX NEWSLETTER can help you. The power today of international alliances, multinational companies, and trade consortiums means that legislation does not stop with your domestic taxes. Knowing how to cope with the worldwide tax problems is half the battle—especially if you already have, or are contemplating overseas activities.

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## Howell talks on future of Aintree

By Michael Thompson-Noel

MR. DENIS HOWELL, the Sports Minister, stepped into the hot seat yesterday when he met a four-man group from the Liverpool and Sefton local authorities in London to discuss the future of Liverpool's Aintree racecourse after abortive talks between the Ladbroke Group and Aintree's owner, the Walton Commercial Group.

Mr. Cyril Stein, the Ladbroke chairman, last week offered to manage the 1976 Grand National meeting on behalf of Walton with a long-term view to buying Aintree.

But Mr. Bill Davies, Walton's chairman, who bought Aintree for £3m. nearly two years ago, appears to be sticking out for a resale price which would cover his losses.

Mr. Howell, concerned about the possibility that the Grand National could disappear without trace, sought yesterday to explore the technicalities of any planning permission which may be sought for the racecourse.

Mr. Davies's original plans, on buying Aintree, was to apply for planning permission for a £20m. £30m. shopping centre on part of the Aintree property. Profits from the development, said Mr. Davies, would have helped fund a new £3m. grandstand and large sports complex.

He had already held unsuccessful talks with the Horwath-Boring Levy Board before the Ladbroke offer.

## Fewer jobs but more seek them in Wales

ALMOST 50,000 people found jobs in Wales last year, but the number of people seeking jobs was up 10 per cent, said the Welsh Office yesterday.

The latest figures showed that "even in hard times the jobs market was busy and moving," said Mr. D. Gwynne Evans, employment service manager for Wales.

Applications for courses run by the Training Services Agency from people registered numbered 10,400 from April to November, an increase of 40 per cent on the corresponding period last year. The Employment Services Agency today opened its first job centre in Cardiff, the seventh in Wales and the first devoted entirely to white-collar vacancies.

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## Bank union to cut links

By Our Labour Staff

THE NATIONAL Union of Bank Employees plans to go ahead with moves designed to reduce its links with the staff associations of the big English clearing banks despite the fact that talks on a possible federation into one union are still going on.

Mr. Leif Mills, general secretary of NUBE, said a meeting yesterday with the staff associations on the possibility of a merger had not brought much progress, while a spokesman for the associations claimed there seemed to be a "real chance of some movement forward."

Mr. Mills said NUBE had approached the staff association of Barclays Bank about the possibility of merger talks, but if that move failed his union would formally withdraw from the joint negotiating machinery for non-clerical staff in that bank.

In addition, NUBE would consider withdrawing from the joint negotiating machinery for clerical staff in Barclays and Lloyds Bank.

Acting staff has already been reduced from an average of ten to eight players. Non-acting staff is to be cut from 30 to 25. Next year the theatre will give 22 weeks of live performances instead of 25.

Mr. Russell Hills, the theatre director, said yesterday that recent talks were to take place with city and county councils on the future of the theatre.

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# Foot faces Tory anger on closed shop sackings

BY JOHN HUNT

THERE HAS been "grotesque misrepresentation" in reports that workers dismissed for refusing to join a closed shop are not entitled to unemployment benefit, Mr. Michael Foot, Employment Secretary, claimed in the Commons yesterday.

The payment of unemployment benefit is a completely separate matter from the closed shop and to link the two was misrepresentation, he argued.

A bitter Commons row blew up over the issue with Mr. James Prior, Tory employment spokesman, arguing that it was another reason why the Trade Union and Labour Relations (Amendment) Bill with its tighter closed shop provisions, should be dropped.

Mr. Foot later issued a copy of the letter which he had sent to Mr. Paul Eagon, a general secretary of the Confederation of Employee Organisations, over the case of the six men who were dismissed from Ferrybridge power station under a closed shop agreement and who had later been refused unemployment pay.

In the letter, Mr. Foot points out that under the Social Security Act, anyone leaving his employment voluntarily without just cause or through misconduct can be disqualified from receiving unemployment benefit for up to 8 weeks. In cases of doubt, payment can be suspended while adjudication takes place.

It was up to independent adjudication authorities—the industrial tribunals, the local tribunals, or the National Insurance Commissioner—to decide whether behaviour amounted to misconduct.

In a passage which has already aroused controversy, the letter continues: "A person who declines to fall in with new conditions of employment which result from a collective agreement may well be considered to have brought about his dismissal. The consequences of his refusal in terms both of loss of his job and of his possible ineligibility for unemployment benefit, must be taken into account by the individual when he decides not to accept his revised conditions of employment."

In the Commons yesterday Mr. Norman Tebbit (C, Chingford) seized on these words. He claimed that Mr. Foot, in "giving jobs and winks to the tribunal which will hear the case of the Ferrybridge six," was acting in



# The Executive's World

EDITED BY JAMES ENSOR

Nicholas Leslie analyses the philosophy which has made JCB a success

## 'Jamais contente' and team spirit

JOE BAMFORD is a man who invites very positive reactions from others—be they favourable or otherwise. As chairman and joint managing director of J.C. Bamford Excavators, he is a colourful character who enjoys a reputation for not only having built up an extremely successful business manufacturing a range of earth-moving equipment, but also as someone with strong views on how industry should be run and how government should regard it.

In 30 years the company has expanded from being a small workshop making agricultural trailers into an organisation occupying premises of nearly 1m. square feet, with sales of hydraulic earthmoving vehicles reaching around £50m. worldwide. Sales per employee are about £22,000 a year which even allows for any argument over the basis of calculation when comparing the figure with other companies—is very high. And Joe Bamford's views on financing must be almost legendary now—he hates borrowing money. Thus, the company has no borrowings and all expansion is financed from retained earnings.

The intense loyalty, which many afford Joe Bamford, can—outside the company—occasionally be contrasted with views that he is a difficult man to work for and is something of an autocrat. Certainly, he seeks the best and won't accommodate passengers.

### 30 years

After 30 years building the company, Joe Bamford is still only 59. But, given the size of the company now, it is interesting to assess whether continuation of its success is entirely dependent on him and whether he is a man who is likely to maintain tight control to the very last.

The answer is that Joe Bamford—being the person he is—will always be a dominant presence. At the same time, though, he has built up a strong management team, which includes his son Anthony as deputy chairman and joint managing director of J.C. Bamford Excavators, to whom he has already handed over management power in large measure and he is likely to complete the handover in the near future.

This position has been achieved in a somewhat novel way, for the structure of the JCB group is rather unusual. To start with, there is no holding company. While J.C. Bamford Excavators is the "closest thing to that, the organisation comprises totally separate companies, albeit with common shareholders—they being Joe Bamford and his wife and Anthony Bamford and his wife.

Says Joe Bamford: "I have always had a thing about separate companies. I don't believe in subsidiaries and there should



Joseph and Anthony Bamford

be legislation to make all companies disclose their accounts to the public." He further maintains that the holding company/subsidiary set-up enables weaknesses to be hidden—the inefficient should be highlighted. Thus, all the essential elements of JCB are contained in separate entities—J.C. Bamford Excavators, which looks after manufacture, group policy and finance; J.C.B. Sales, the worldwide selling organisation; J.C.B. Service, responsible for servicing and spares worldwide; and J.C.B. Research, which is the engineering and research company.

Each must make a profit. Mr. Gilbert Johnston, group planning director, comments that when Joe Bamford started manufacturing "he knew that there were manufacturers who could show a profit at the bottom of their accounts, but that if they took manufacture to one side and service and spares to the other, for example, you might find they were not profitable in manufacturing."

There is a separate managing director for each company and they have total responsibility and freedom to run their own companies—although obviously within the broad policies and objectives laid down for the group. Apart from Joe and Anthony Bamford as joint managing directors of Excavators, there is Mr. Derek Dawson as managing director of JCB Service; Mr. Peter Liversy as managing director of JCB Sales; and Mr. Derek Prime as managing director of JCB Research. If the set-up suggests the managing directors can be considered by the policy-making

machinery, it is not such a possibility as it might have been a few years ago. This is because all of them form part of an eight-man executive committee which has policy-making and decision-taking powers. The committee was formalised earlier this year following several years as an ad hoc set-up which could recommend but not ratify proposals. Previously, decisions rested solely with the Bamfords.

Apart from those mentioned, the executive committee also includes Gilbert Johnston; Richard Ryland, group finance director; and Ray Clarke, manufacturing director of Excavators. Clearly, the Bamfords must exert an unspoken influence on the committee, but it is significant that in the absence of a designated chairman, the committee's co-ordinator is Gilbert Johnston, who as planning director looking at the whole group is seen as having an impartial view of each company.

Gilbert Johnston points out that "several large decisions" have been taken in the absence of Joe Bamford who, he adds, "has over the last four or five years, stage by stage handed over power."

It is difficult to extract an exact management philosophy from Joe Bamford simply because, admitting to not being able to do everything, he merely takes such steps as he feels are common sense in the circumstances. "We've got a good team spirit," he remarks, and feels management "is pretty well delegated." He feels his actions are "quite elementary" and that "basic things in running a company remain basic things."

Bamford takes over it may well contain some truth. But it is equally clear that no cushion is being provided and that he is proving to be a manager of no mean ability. He is a very different personality from his father—certainly less flamboyant—and while Joe Bamford's first love is engineering, his are the financial and marketing aspects of the business.

Now 30, Anthony Bamford spent some time after leaving school working for Massey-Ferguson in France before going on to gain a business diploma at Grenoble University. Back home again he did the perhaps obligatory course through JCB, including a spell on the shop floor. "My feeling is that I will take over the company fairly shortly," he says, pointing out Joe Bamford's concentration on design and engineering over the past few years while "the financial side and selling have been my domain for the past couple of years."

Anthony Bamford clearly has the same consuming interest in and ambition for the company as his father. "Our interests are always in building up. We are not interested as shareholders in taking out of the business. We have always had capital programmes which have absorbed all of profits."

### Overseas

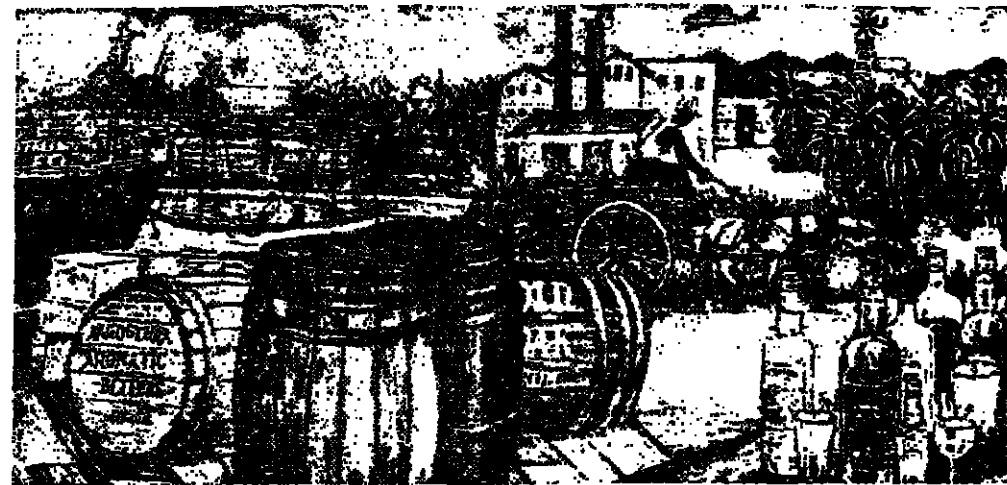
In recent years, the company has concentrated on overseas markets, partly as a result of being hit by a slump in the U.K. industry back in 1971. In October new premises were opened in France to cater for expansion both there and in French-speaking African countries.

At the Rochester works, near Stafford, where the executive committee meets on the 20th of each month it has details of all financial returns for the previous month. Says Gilbert Johnston: "I'm always looking at where we can be five years from now. We look, as part of our internal system, five years forward twice a year and 12 months forward every month. Our whole executive meeting is geared to forecasts."

Where precisely the company will be five years from now in terms of size and market penetration is, of course, anybody's guess. But the management structure to take the company through that period and beyond has now been established and it will be interesting to see what its influence produces.

David Renwick in Trinidad on a tale of bitters

## In the pink



An artist's impression of the early days of Angostura.

THE GERMAN IMMIGRANT doctor who used to mix a simple herbal remedy to relieve stomach complaints among the soldiers of Latin American liberator Simon Bolívar's army in Venezuela in the early 19th century presumably never dreamed that his preparation would eventually become world famous.

But that is exactly what happened to Angostura aromatic bitters, which was first produced in 1824 in the little town of Angostura (now Ciudad Bolívar) in North East Venezuela, by Dr. Johann Gottlieb Benjamin Siegert, a former Prussian Army doctor.

Originally intended only for the soldiers and a few close friends, Dr. Siegert's bitters rapidly became so popular that commercial production was established. The first exports of Angostura bitters were made in 1830 to Trinidad and England and it was to Trinidad that the sons of Dr. Siegert transferred their business in 1875 because of the constantly unsettled nature of the Venezuelan political situation.

This year, the company—Angostura Bitters (Dr. J. G. B. Siegert and Sons)—is celebrating the 150th anniversary of uninterrupted production, together with the 100th anniversary of its establishment in Trinidad. Angostura sells the major portion of its product in the U.S. and has traditionally mounted a heavy and continuous advertising campaign in that country. The bitters are bottled in the U.S., as well as in Canada, Brazil and a small number of other countries.

The bitters are no longer used mainly for stomach disorders (though it can be still applied in that direction) but for flavouring both alcoholic and non-alcoholic drinks—they provide the "pink" in pink gin—and for seasoning food and fruit. Angostura's success rests on

the formula used in mixing the herbs, roots, barks and other botanicals that go into the final product. The formula has been a secret for 150 years, handed down from one generation of the Siegert family to the next. Only three people at any one time have known the secret and only two of them have been non-members of the family.

The three current custodians of the formula, which is mixed twice weekly in 8,000-gallon batches in a private room in the Angostura factory just outside Port of Spain, are Mr. Robert Siegert, non-executive chairman and great-grandson of Dr. J. G. B. Siegert; Robert's son Gordon, a director of the company; and Mr. Thomas Alexander Gatliffe, managing director.

### Plane crash

They are never allowed to travel by air together, in case a plane crash should wipe out all the formula holders. And in the unlikely event that all three should die simultaneously trustees have been empowered to gain access to the one written copy of the formula, which has been cut into four parts and lodged in various branches of Barclays Bank in New York.

The closest one can get to a description of the mixing process is that provided, in guarded terms, by Mr. Gatliffe. "Our bitters is made from a wide variety of aromatic botanicals and herbs," he says. "These ingredients come from all corners of the world and are purchased only on the strictest specifications."

"The work of weighing and mixing takes place in a secret room from which the ingredients emerge in a closed, perforated, stainless steel basket, which is then handed over to the regular production staff who complete the manufacturing process."

The bitters are sold in about 140 countries—with the exception of the Communist bloc. But one barrier to increased sales is that in a number of countries the bitters are considered an alcoholic beverage and are taxed as such.

A constant fight has been waged to get Angostura reclassified and one of the most recent successes was in Britain in 1970, when the Finance Act of that year specifically exempted Angostura aromatic bitters from excise duty, thus enabling its price to be reduced and the product to be sold in supermarkets.

Only once in the 100 years the firm has operated in Trinidad, did the country come close to losing its unique product. That was in 1938 when Mr. Douglas Bradley, a Canadian businessman who was Angostura's distributor in New York, tried to buy out a majority shareholding.

The shares were widely distributed in Trinidad and the U.K. and the Siegert family at that stage in the company's history, did not have a controlling interest. Mr. Bradley's offer was an attractive one—£25s. a share for shares then trading on the London Stock Exchange for 16s.

However, Dr. Eric Williams's Government, which had been elected to power for the first time only two years previously on a nationalistic platform, felt it could not allow what was seen as a national asset to pass into foreign hands (especially since it was Mr. Bradley's stated intention to move the company to Bermuda) and the Government itself stepped into the fight and made a counter offer of £25s. 3d., which was accepted. The Siegert family had come to an arrangement with the Government to buy back the controlling share at the same price and the company thus to the control of the Siegert family.

### BUSINESS PROBLEMS

#### Depreciation of a company car

A friend employed as a consultant is provided with a company car free of all charges. If, as is likely, a Receiver is

appointed, can he dispense with my friend's services forthwith? What happens about the car? If the Receiver terminates the contract of an employee the company will be liable for any breach of the contract committed in doing so. If, however, the company goes into liquidation his contract will automatically terminate. If the contract of service provides for a company car, deprivation of it will be a head of damage as indicated above: if not the car can be withdrawn at any time.

#### Perquisites under Schedule E

Instead of remuneration, Mr. A. has sole use of a company car, all running expenses being paid for by the company, though only partly used on the company's business. Is there a benefit in kind assessable on Mr. A., who is neither a director nor an employee of the company earning over £2,000? If Mr. A. forgoes the remuneration to which he is entitled it would appear that he can be assessed under Schedule E, not under the benefits-in-kind legislation, but under the general charging provisions for Schedule E purposes. Emoluments for Schedule E purposes "shall include all salaries, fees, wages, perquisites and profits whatsoever" (Section 183(1) Income and Corporation Taxes Act 1970).

### BY OUR LEGAL STAFF

#### Tax on Savings Bonds dividends

In my annual income tax return I declared interest on 10,000 3 per cent Bonds for period of 371 days, gross £30.82. I also claimed tax credit £38. sum included in purchase price of accrued interest and deducted again from the interest. The HM Tax Inspector does not agree with my interpretation, and writes: "The gross interest was £130 from which tax of £49.50 was deducted. £130 has been included in the item Other Dividends £380. I am paying tax at higher rate 83 per cent plus 15 per cent. Investment Surcharge, so the extra tax would be considerable. What, please, is your view?"

The tax inspector is right: you are chargeable to higher rate tax and investment income surcharge on the full six months' interest of £130 which was paid to you (less tax at 33 per cent) on February 15, regardless of the fact that you had only bought the holding of 3 per cent Savings Bonds 1965-75 about six weeks before the penultimate interest payment fell due. Your misunderstanding results from the Stock Exchange practice of quoting the prices of short-dated British Government (and certain other) stocks on an unusual basis: as explained in the Daily Official List, "the amount payable by the purchaser is the bargain price plus an amount equal to the gross interest accrued to the date for which the bargain was done (or, in the case of transactions done ex-interest, minus an amount equal to the gross interest accruing from the date for which the bargain was done to the interest payment date)." The interest calculation is merely an element in determining the consideration money, and it does not affect the respective income tax liabilities of purchaser and seller.

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The main growth-factor in industrial exports has been the upsurge of new industry under the Governments programme of tax relief and incentives. Both Irish and foreign-owned firms are active in sectors such as engineering and metals, chemicals and pharmaceuticals from which the bulk of export expansion has come. Export 1974

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WEDNESDAY, DECEMBER 3, 1975

## Environmental argument

IT MAY WELL appear odd that the standing Royal Commission on Environmental Pollution should feel itself called upon to write to the Prime Minister and suggest that a full-scale fast breeder reactor should be built here in the reasonably near future. In the first place, there are certain features of the FBR which have made it a prime target of environmentalists. In the second place, the existing prototype FBR at Dounreay has experienced a long series of teething difficulties. In the third place, it seems scarcely appropriate for a body concerned mainly with environmental issues to recommend a large-scale experiment that may cost nearer £1bn. than £500m.

## FBR experiment

The Commission's report on the general impact of nuclear energy has been delayed and it makes no attempt to anticipate its conclusions. Its argument for going ahead with a full-scale fast breeder reactor is based on environmental grounds. There are certain doubts and difficulties, it admits, about the FBR which can only be resolved by building a large station, together with its own experimental fuel-handling and security facilities. It is much better to start work now and overcome the difficulties in good time than to postpone it until the introduction of the FBR becomes an urgent necessity and a cash programme has to be undertaken with its inevitable mistakes and unnecessary cost.

## Counter-blast

It was the economical attraction of the FBR which caused this country to pioneer its development. It is only during the past couple of years, since a prototype reactor became available that serious practical difficulties have arisen, and these have all arisen out of the inadequacy of peripheral equipment rather than out of the concept itself. But the French, in particular, have had such striking initial success with their own prototype FBR that Britain's lead has, at least temporarily, been lost.

The general attitude of the French is conditioned by their

lack of alternative domestic sources of energy: the exploitation of oil and gas in the North Sea has made development of the FBR here seem less urgent. But decisions are being taken in one official committee and another, and there is little doubt that the possible "environmental" objections to the whole idea—in the absence of any effective counter-blast—being given considerable weight. It is to provide such a counter-blast that the Royal Commission has intervened.

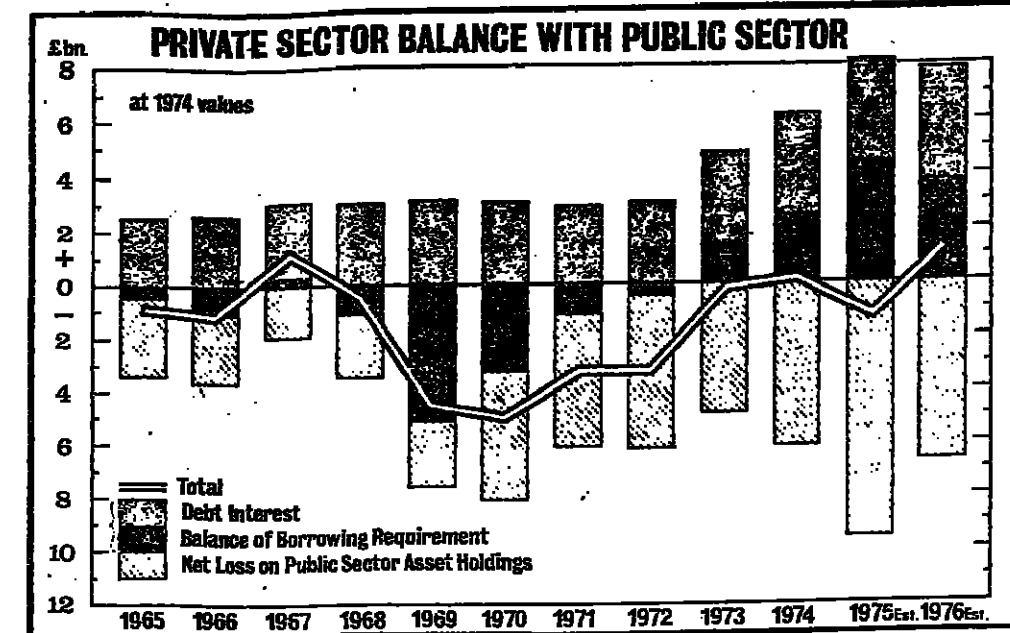
WHEN Mr. Peter Shore gave the Government's reaction to the Sandilands report last week, he announced, among other things, that the new system would not be used in presenting the accounts of the nationalised industries. Since he conceded that current cost accounting would present a more realistic picture of the economic performance of companies, it is hard at first sight to see why nationalised corporations should be different; and there is certainly no doubt that the existing accounts of the nationalised industries present a highly misleading picture.

However, there is one absolutely vital difference between nationalised and private concerns: the nationalised industries have no equity capital. The whole philosophy of Sandilands is that the first charge on a company's earnings should be to set aside enough money to maintain its fixed and working capital. A nationalised industry, on the other hand, owns nothing: its capital is all borrowed. It is therefore arguable that as long as its borrowings do not outrun the current value of its capital, its balance sheet is still sound. This implies in turn that there is nothing wrong with expanding its borrowing in line with the falling value of money.

## Heart of the argument

This notion is, of course, at the heart of the argument which is still going on about the treatment of monetary liabilities in inflation accounting. The accountants, with rather clearer economic logic than Sandilands, have always insisted that the falling value of its debts is a gain to the borrower which should show up in inflation-corrected accounts: that is to say, any borrowing which simply maintains the real value of total debt is not borrowing at all, and any drop in real value is a "net gain on monetary liabilities."

The criticism of this view, from Professor A. J. Merrett and others, has rested mainly on the fact that companies do not see things like this: nor, more important, do their bankers. Borrowing to maintain the real value of debt—or, in the new formulation suggested by Mr. Wynne Godley, to maintain the going ratio—is not regarded as a normal adjustment for inflation, nor is such borrowing always possible: to regard borrowing of this kind as "profit," or in any sense as a normal source of finance, is imprudent and misleading. At such "gains" should be recorded in a footnote to the accounts showing the underlying gain to shareholders—



the fact that as the real value of the liabilities of their company falls, they own a steadily larger proportion of the total capital. This is the counterpart of the loss—also relegated to footnotes, if it is noted at all—suffered by lenders as inflation erodes the value of their assets.

Now this may or may not be the most realistic way to treat the accounts of private companies; but perhaps Mr. Shore has a point when he says that it is not appropriate to State industries; and what is true of State industries may well be true of the State itself.

It seems at first sight that the most appropriate way to adjust the public sector accounts for inflation may centre on the one adjustment which Sandilands rejected for the private sector—to take account of the net gain on monetary liabilities.

To adjust the current accounts of the public sector for changes in the value of money presents no problem at all. It is simply a matter of re-writing any monetary series you wish in terms of money of constant purchasing power (the CPP adjustment of the Chartered Accountants).

## Appropriate index

The main difference from the familiar CPP method lies in the choice of an appropriate index. The retail price index is certainly not an appropriate measure, since it includes indirect taxes, and these are not a cost to the public sector which collects them. An index of public sector purchases would give a "volume" or Sandilands-type index; but for a cost index—a measure of the resources used by the public sector—the GDP factor cost deflator is probably the most appropriate index.

TABLE 1  
REAL PUBLIC SPENDING  
(in 1974 £bn.)

	Goods and Services	Transfers etc.	Interest
1965	11.34	6.28	2.73
1966	11.87	6.45	2.80
1967	12.77	7.36	3.00
1968	13.11	8.09	3.24
1969	13.23	8.13	3.35
1970	13.82	8.22	3.26
1971	14.27	8.16	3.05
1972	14.71	9.02	3.05
1973	15.23	9.47	3.36
1974	16.44	11.11	3.73

TABLE 2  
PUBLIC SECTOR BORROWING

	In current £bn.	In 1974 £bn.	Increase in debt, 1974-75
1965	1.2	2.3	-0.8
1966	1.0	1.7	-1.1
1967	1.8	3.3	-1.2
1968	1.3	2.2	-0.3
1969	-0.3	-0.8	-1.4
1970	—	—	-5.1
1971	1.4	1.9	-4.2
1972	2.1	2.6	-3.2
1973	4.2	4.4	-0.1
1974	6.3	6.3	0.0
1975*	11.0	9.0	-1.5

The three main components of public spending are shown in Table 1 in CPP terms up to 1974, in terms of 1974 purchasing power.

The question of the public sector's net gain on monetary liabilities is a more difficult one, both intellectually and as a matter of measurement. First, two questions are raised: does the public sector tend to regard this net gain as income? This can be rephrased: does the public sector on the whole con-

sider it normal to borrow more every year, as inflation devalues the sums borrowed? The best test of what people believe is not what they say, but what they do; and on this test the public sector does, broadly, treat this notional "gain" as spendable income.

What this means is simply that the Treasury, in fixing the borrowing requirement for each year, looks at it as a proportion of money GNP (and this is also the language Mr. Denis Healey recently used). If the Treasury ever worried about the total value of outstanding public sector debt (though there is little evidence that it does) it would probably use the same yardstick—though as a matter of fact the total public sector debt has been falling—in real CPP terms, and still faster, as a proportion of GNP—for many years.

However, this is not the only problem. The size of the public sector deficit is fixed mainly in an effort to control the total of demand in the economy: public borrowing, by mopping up savings which would otherwise lie idle, and by permitting monetary expansion, is a stimulus. But can the public sector be said to have borrowed in real terms in a year in which the total of its debt falls in real terms? Accountancy says "No": this is the real reason why the gain on monetary liabilities has to appear in the accounts as income. If it were not treated in this way, the adjusted balance sheet could not be married to the income accounts.

Economic management, on the other hand, is not concerned with neat accounting concepts, but with human behaviour. The question therefore arises: do the holders of public sector debt behave as if its falling real value were a drain on their income? The answer is probably: yes, to some

extent. The strong association recently discovered by John Forayth between the falling real value of personal liquid assets and the rise in personal savings is a possible clue (the Bank of England is exploring a whole range of possible relations between changing real wealth and savings behaviour). It is certainly true that pension funds and insurance companies—some of the biggest holders of public sector debt—have to adjust their current premium demands to reflect the changing real return on their investments. Broadly it is certainly true to say that falling asset values will be nice to be more precise, but it is very doubtful whether it is possible, because of the sheer difficulty of measuring the loss of value of public sector debt in the hands of holders (The GDP deflator may be a fair measure of what the public sector could buy with the money it would take to redeem its liabilities, but holders are concerned with future realisation values.)

Market value ought to offer a discounted present value of market holdings, but varies so widely during the course of a year, and is so much influenced in the short term by changes in official monetary objectives, that it is not a very practical detail, and in clearer terms. The borrowing requirement is split into two—the money required to pay interest on the estimated holdings of the private sector (for not all public sector debt is held by U.K. citizens and companies), and the rest—the balance (positive or negative) left over for "real" spending. The third element is the net loss on holdings of public sector financial assets by the U.K. private sector (measured as the U.K. share of the total public sector gain on financial liabilities). The pattern is very similar: as an experiment I have projected the figures to 1976, assuming slower inflation and an unchanged nominal borrowing requirement, with rather encouraging results.

## Not strictly measurable

However, given the fact that the income effects of falling capital values are themselves debatable and not strictly measurable, it seems possible to take a short cut: to preserve the accounting identities, and assume that what is income in the hands of the public sector, through the net gain on monetary liabilities, is a loss of income to the private sector. This is not because this is the "right" measure, but because it is impossible to measure how wrong it is. It has a certain plausibility, because it certainly understates the loss experienced by holders: the CPI tends to rise faster than the GDP deflator, and market values have fallen far further than the purchasing power of nominal public sector debt.

What is the effect of what is, despite this long explanation, a rather simple adjustment? Properly done it could, I believe, be as big a step forward in the realistic presentation of economic figures as inflation accounting will be for some time. Let us first look at the public sector from its own point

## Similar figures

Some rather similar figures are presented in the chart from the point of view of the private sector, but in somewhat more detail, and in clearer terms. The borrowing requirement is split into two—the money required to pay interest on the estimated holdings of the private sector (for not all public sector debt is held by U.K. citizens and companies), and the rest—the balance (positive or negative) left over for "real" spending. The third element is the net loss on holdings of public sector financial assets by the U.K. private sector (measured as the U.K. share of the total public sector gain on financial liabilities). The pattern is very similar: as an experiment I have projected the figures to 1976, assuming slower inflation and an unchanged nominal borrowing requirement, with rather encouraging results.

This is only a very rough first try at a job which requires detailed information and much computation to do accurately. It looks as if the attempt might be worth while. It not only gives a quick economic indicator, but draws attention to other issues and other questions. Should the State persistently default its creditors? Is it helpful to record in the national accounts interest which is negative in the hands of holders as "income" or "expenditure"? Is it not rather confusing to record "borrowing" in figures which mean that two and two add up in real terms, to minus four? I suggest that neither the policies nor the figures are altogether honest or instructive. It is not only companies which might learn a great deal from inflation accounting.

## Faint hope in Rhodesia

THE CHANCE of a peaceful settlement of the Rhodesian constitutional conflict remains slim. Mr. David Ennals, Minister of State at the Foreign Office, who sets off for Lusaka tonight, is no doubt aware of this, even so his brief will be to do all that a British Government can to encourage the coordination of policy towards Rhodesia by the Presidents of Zambia, Tanzania and Botswana, who are the black leaders of the "detente" policy in southern Africa. It has to be said that these leaders are themselves sceptical about the chances of achieving majority rule in Rhodesia without the use of force. President Nyerere has just been making this plain during his visit to London.

## Better terms

This scepticism will be only partly allayed by the agreement just concluded between the Rhodesian Prime Minister, Mr. Ian Smith, and Mr. Joshua Nkomo, leader of his own wing of the African National Council. The declaration of intent to negotiate is a welcome step, but it is no more than that: negotiations are another matter. The declaration itself would have been signed at the recent Victoria Falls conference if the three leaders of the African nationalists had not been divided among themselves, and if Mr. Smith had been willing to agree that all representatives of the Africans could visit Rhodesia without fear of arrest. That Mr. Smith has accepted as much now is partly due to pressure from the South African Government, and partly due to his belief that he can get better terms from Mr. Nkomo than from either of the other African nationalist leaders.

In this Mr. Smith may be mistaken. Mr. Nkomo knows well enough that there are strict limits to the deal he can reach with the Rhodesian Government, if he wants the deal to stick. Anything he does would have to be endorsed by

## MEN AND MATTERS

## Watney test expanded

Two months ago I revealed that Watney Mann responding to prodding from Campaign for Real Ale and perhaps suspecting that there really is still a market for beers which are not pasteurised and are therefore still maturing in the barrel, was quietly testing "real beer" in six of its London pubs. Now, encouraged by results, it is expanding its programme of test marketing to 150 pubs in the London area. (The number could be sheer chance, but it is interesting that the company is quick to point out that the two independent London brewers—Youngs of Wandsworth and Fuller Smith and Turner—each have less than 150 outlets—although in the case of Youngs it is a close run thing.)

The Watney real ale will be called "Fined Bitter Brewed by Watneys" will be stronger than other draught bitters, and will also be more expensive. Prices will vary around the 30p a pint mark making it a couple of pence more expensive than the local Watneys' Red, and 4p to 5p more than ordinary bitter. The extension of the experiment from 6 pubs to 150 is a substantial step, but to keep it in perspective the group has roughly 1,500 outlets in the area of Greater London served by its Mortlake and Whitechapel breweries. The only criterion for choice of outlet will be the ability of the staff and suitability of cellar to handle real beer—which needs considerably more attention and specific cellar conditions than beer which is no longer maturing—and will therefore cover all types of pub.

For that reason alone it

would not be possible to put the new beer into all the 1,500 outlets no matter how successful this latest stage in testing. But at least Watney has now returned to a policy of making real ale for the London market—which it dropped as far back as the early 1960s, although some regional companies in the group have continued to produce it locally around the country.

Technical constraints apart, the degree to which Watney will expand availability of its new beer in London and the home counties will depend on customer reaction. As a Watney spokesman put it yesterday, "We are now out of the realm of research and into the realm of the market. It is now up to our customers to vote with their pockets."

## Spot off?

We all know that things are bad on the economic front, but George Allen, professor of agricultural economics at the University of Aberdeen rather shook his audience at the annual conference of business economists in London yesterday when he told them that sunspots and volcanic dust were having an effect on confidence.

This apparently far-fetched explanation of economic ills is far from new. One of the many theories put forward to explain the trade cycle was that of William Stanley Jevons, a 19th-century English economist who related the cycle to agriculture and agriculture to sun spot activity in which he thought he had detected a ten-year cycle. According to Encyclopedia Britannica, "His naive explanation could not long withstand critical examination. It had a certain interest, however,



"Thank you very much, boys! We've just been regraded: 'laid off.'"

in suggesting a causal factor that was completely detached from the economic system and one that could not be influenced by it in any way. Sounds exactly like the sort of explanation that a lot of politicians are currently searching for.

## KM loses PH

Remember Kingsley Manton Palmer, or KMPP as it later became? To-day it is the publicly quoted advertising agency Kimpher which came to the market—never an easy thing for an advertising outfit to do—back in 1969.

The group was ideal for the "swinging sixties." Named after the trendy trio which formed it—the "H" was added in 1965 when Ien Heath became the fourth partner in the business—it was KMPP which dressed all its secretaries in Regent Oil tee shirts and so impressed the company that it won that account,

When the English dairy men called to discuss butter advertising there was a cow on call in the KMPP car park.

For five years it seemed that the agency could do no wrong. The partners shared an office, there was a juke box to help stimulate thought, and KMPP was the trend setter for the whole industry. Then however troubles began as the inevitable conflict between creativity and business practice hit the agency. It was badly mauled in a run in with John Bentley, and gradually the partners began to develop outside interests.

Now it has been announced that Kimpher is to lose its original P and H from the KMPP grouping. Palmer has made it known that he will leave at the end of the year, and Heath is also going. Palmer is now a managing director at Youngs Brewery and intends to concentrate mainly on that, while Heath hopes to set up his own marketing services business along lines similar to the division that currently forms part of Kimpher.

## Different world

The Smirnoff Vodka advertising campaign has, apparently, been good at selling the product. It is a moot point however whether it has been even more successful as a source of graffiti. I have seen many items along the "I thought... until I discovered Smirnoff" theme, but was particularly impressed with one at the Bull's Head at Strand on the Green which is near Bechem Group's head office. It said simply, "I thought that a brand manager was a cowboy with a hot iron until I joined Bechem."

## How can a merchant bank help a private company?

Do you need to increase your overdraft or should you look for an increase in capital?</







## LCP looks for second half recovery

at record levels, members are told.

Because of the general economic uncertainty facing British industry and the possible effect of political influence on the investment plans, the directors report that "it is not possible to anticipate the outcome for the current year. However, the group, with its improved balance-sheet resulting from the share placing in April, is in a strong position to take advantage of opportunities for expansion."

● comment

[illegible]

**(Hosier)**  
**downturn.**

**REFLECTING PRESSURES** on margins and a decrease in demand, brought about by the general depression first off set the profit of Atkins Brothers (Hosier) fell sharply from £248,641 to £90,913.

However, the chairman, Mr. D. Stirling, remarks that most divisions are busier, but it is too early to say whether this is the

Mr. Francis stresses that overseas investments will not yield immediate returns. However, he is confident that the long-term value of having access to a wide range of international markets will amply justify the expenditure involved in setting up these ventures.

In the Azores, the go-ahead has been given for setting up a processing and loading plant for fishmeal and cod-liver oil alongside graded pumice. The material has become even more valuable since the initial appraisal of the project, because pumice can now be used as aggregate for concrete.

The company's principal office is at 17, Abchurch Lane, London EC4A 3DF.

**ISSUE NEWS**

**SHORT-TERM LOCAL LOANS**

The coupon rate on this new issue of local authority year bonds has included a 1 per cent level of 11½ per cent, 11 per cent. The Bonds are due on December 8, 1976, at par.

This week's issues are:

- Tyneside (£1m.), City of Salford (£1m.), City of Stoke-on-Trent (£1m.), Daventry District Council (£1m.). Brentwood District Council (£1m.)

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ISSUE NEWS  
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- Tyneside & Hartlepool (Edin.) (£1m.), City of Salford (Lanc.) (£1m.), Daventry District (Leic.) (£1m.). Brentwood Dis-

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# Ranks Hovis well over forecast at £30.22m. Land & House turns in £0.92m: pays more

EXTERNAL SALES for the year to August 30, 1975 of Ranks Hovis McDougall expanded from £500m. to £593m, and pre-tax profit advanced to £30.22m, compared with the May forecast of not less than £28.5m. The previous year's £28.5m. profit was provisionally £28.5m. At half-year, profit was provisionally higher at £15.2m, against £13.5m.

A final dividend of 1.5682p makes a maximum permitted total of 2.5769p net, on capital increased by a one-for-four rights issue, against a forecast of maintenance of 2.510p. Stated earnings per 25p share increased from 5.1p adjusted to 5.3p.

The improvement in profit was due to increased contributions from all the trading sectors of the group, apart from the bakery division following the loss in the first half but the full year's results were well below those of the previous year, even before taking into account the cost of rationalisation.

Although interest charges on short-term borrowings were higher than last year, there was a reduction in the second half following the rights issue, and more profitable trading.

The chairman reports that trading results so far for the current financial year are better than those for the corresponding period last year. "In spite of current economic difficulties and although in some sectors we are hampered by restrictions, we face the future with confidence," he declares.

Frizzell sets up European offshoot

By Eric Short.

THE FRIZZELL GROUP, a leading Lloyd's insurance broker, has established the first representative Common Market insurance broker, Frizzell International. The group will hold 51 per cent of the equity, the remainder being spread among West German, French, and Italian interests. The new company will operate as a Lloyd's broker in the non-life field. The group has also acquired a 47 per cent holding in a leading French insurance broker, Dupont-Fauville et Cie SA.

Mr. Michael Graham, managing director of The Frizzell Group, said that this concept of bringing European partners into London was unique in the insurance market. It should generate a considerable volume of business for the London market, particularly in the reinsurance sector. Mr. Graham will be the managing director of Frizzell International and the chairman will be Mr. Norman Frizzell, the chairman of the Group.

**WEIR GROUP**

Repayment of the Weir Group Sales and Distribution loan at 94 per cent was completed on November 28 with funds provided by Finance Corporation for Industry. Terms

on which the funds were made available were as set out in the October circular. Weir shareholders in connection with the recent rights issue.

## British Dredging £0.22m. loss

INCLUDING a charge of £55,805 for additional ships' insurance calls for previous periods, the British Dredging Company incurred a pre-tax loss of £217,611 for the half-year to June 30, 1975. For the previous nine months the loss was £208,518.

For the current year no interim dividend is being paid. The last payments, totalling 1p net, were for the full year to March 31, 1974.

Explaining a first half group tax credit of £5,141, the directors say that no account has been taken of losses of overseas subsidiaries. £123,000 which are not available for relief in this period. The credit is after charging £25,000 from the utilisation of losses at rates below 32 per cent.

Referring to a charge of £59,870 for associated companies, they say that no credit has been taken for losses of £38,000 in an overseas company which are not available for relief in this period. The charge is in respect of the company's share of losses of £38,000 in an overseas company which are not available for relief in this period.

Half-year 9 months 1975 1974

Group turnover	£3,014,464	£3,014,464
Share of losses of associated companies	15,887	22,222
Group tax credit	5,141	11,785
Loss	217,611	208,518
Net loss	222,440	233,775
Minorities	6,584	7,284
Attributable loss	229,024	241,059

**Smith (Whitworth)**

Sales of Smith Holdings (Whitworth) for the half year to October 31, 1975, declined from £545,434 to £522,290, but pre-tax profit was £31,557, compared with £27,561. The profit for the full year 1974/75 was £11,905.

The 1975 first half includes a profit of £11,072 from the disposal of fixed assets and in 1974 there were exceptional debits of £24,512.

There is no interim dividend. The last payment of 0.25125p net was for 1973/74.

The company makes textile machinery and stainless steel fabrications.

## NET SURPLUS from completed properties and other income of The Land and House Property Corporation amounted to £0.92m. for the year to September 30, 1975, compared with £1.41m. for the previous year, and net tax profit was £361,244, against £261,532.

Following a change in the accounting policy it was decided that the sites on which development work has been deferred should be separated from those on which work has commenced. As a result, outgoings on the former will become a charge against the underlying profitability of the group and will not be covered, as in the past, by a transfer from realised reserves.

Had the former policy been adopted net surplus from completed properties and other income would have been £517,344.

A final dividend of 2.05p raises the total from 3.518p to a maximum permitted 5.568p net. In proposing increased dividends the directors had regard to the expected additional rental income which should arise from rent revisions over the next few years, in aggregate the anticipated profit of about £2m, it is stated.

Earnings per 50p share adopting the former accounting policy are shown at 5.11p (15.5p) and under the revised policy 3.76p.

**Benfield & Loxley up at midterm**

Builders, civil engineers, shopfitters and furniture manufacturers, Benfield & Loxley reported pre-tax profits up from £23,000 to £24,000 for the half year to August 31, 1975 on turnover down from £213m. to £211m.

The chairman, Mr. D. Olney, says that the slight downward trend in turnover is likely to continue but it will not affect anticipated profits.

In July, reporting profits of £22,000 and a dividend of 0.75p net for the year to end February he said that current year profits would be higher.

Contracting is still most competitive, reports Mr. Olney. The directors intend to maintain their cautious approach to tendering, which will bring a further reduction in trade in the coming months. But they will not "buy in" contracts, which they see as a recipe for disaster, he adds.

The group has recently signed an agreement with Armo Eurotec, the European subsidiary of Armo Steel of America, for the sole dealership of Armo's building systems in Oxfordshire, Berkshire and Buckinghamshire. Shopping continues to be buoyant, Olney Bros. should provide record profits for the full year, and the order book is currently 20 per cent up on last year. The Dutch subsidiary, Interplan System 80 BV, is also doing well and the initial setting-up problems have all been overcome. This firm holds an on the Continent is enabling the group to market in Europe the products of the recently-acquired Merrow's furniture group. The signs here are encouraging, the chairman says.

## Provisions hit Wallace Bank

against £423m. at the beginning. The number of policies involved was 138m. at the end of the quarter.

The bank stated yesterday that the provisions were expected to cover any probable losses, and the chairman, Mr. R. S. Fitzgerald, said that the "vigorous measures" taken had cleared the way for development of the business on a basis conforming with current conditions.

Maintenance of adequate levels of liquidity remained a prime consideration, he said, and the company had arranged standby credits with its bankers appropriate to the size of the business.

The profit from banking activities rose before the special provisions from £144m. to £151m. After the provisions, and after provisions of £384,886 (against £327,790) for diminution in the value of long term quoted investments the bank showed a pre-tax loss of £1.4m. and a net loss after tax of £1.33m.

**Unit-linked life business**

By Eric Short

Premiums received for unit-linked life assurance business fell in the third quarter of this year in all classes of business. Annual premiums were down to £9,950m. from £11,222m. in Ordinary business and £2,141m. to £1,944m. in pension business. Single premiums were £1m. lower at £22,44m. for Ordinary business and marginally reduced to £2,53m. for pension business. However, these third quarter figures are well in advance of business transacted in the corresponding period last year. The number of policies in force rose by 36,000 in the quarter.

Investment of unit-linked life contracts in units of authorised unit trusts also fell in the quarter to £15.91m. from £17.51m. It is anticipated that the results will be announced at about the same time as last year.

**GRINDLAYS**

At an EGM shareholders of Grindlays Holdings voted in favour of the proposal for the increase of the equity and other capital resources of Grindlays Bank by about £32m.

## INTERIM STATEMENT

### Standard Chartered Bank Limited

#### INTERIM STATEMENT

Consolidated Profit and Loss Account (Unaudited)	Six months ended 30th September 1975	Year ended 31st March 1975
	£000	£000
Trading Profit of Standard Chartered Bank Limited and its subsidiaries	43,849	39,991
Deduct: Additional provisions against advances and for pensions	—	16,701
Share of profits of Associated Companies	2,885	2,733
Profit before taxation and extraordinary items	46,734	42,724
Taxation:— The Bank and its subsidiaries	20,903	20,065
Associated Companies	1,333	1,281
Profit after Taxation	24,498	21,378
Minority Interests	3,173	2,587
Extraordinary Items less taxation and minority interests	—	4,828
Profit attributable to Standard Chartered Bank Limited	21,125	18,791
Dividend	4,056	3,756
Profit retained	17,069	15,035
Earnings per share	35.1p	31.3p
Dividend per share	6.75p	6.25p
(Gross equivalent)	(10.38p)	(9.33p)

Notes:  
1. The accounting policies and bases of consolidation employed are consistent with those set out in the annual accounts for the year ended 31st March, 1975.

2. Overseas profits have been converted into sterling at rates of exchange ruling at the ends of the relevant accounting periods. Non-trading surpluses or deficits arising on revaluation of the Group overseas net assets as a result of exchange rate fluctuations are dealt with through reserves.

3. United Kingdom Corporation Tax has been provided at 52%.

4. Earnings per share are based on profits after taxation and minority interests but before extraordinary items, and on issued share capital of £50,000,000.

The Board of Directors has resolved to pay an interim dividend in respect of the year to 31st March 1976 of 6.75p per share (equivalent to 10.38p gross), to shareholders registered at close of business on 2nd January 1976. The dividend will be paid on 30th January, 1976.

Joint Secretaries.

## INTERIM STATEMENT

### SWAN HUNTER GROUP LIMITED

#### INTERIM STATEMENT

The profits arising from contracts completed in the six months to 30th June, 1975, were not unsatisfactory, but for reasons given below it is not possible for the Directors of Swan Hunter Group Limited to give an accurate indication of the results of the Group for 1975. Shareholders will be aware of the collapse in world demand for new ships, particularly oil tankers, and a large number of contracts have been and are still being cancelled throughout the world.

Although Swan Hunter Shipbuilders Limited has considerable work in hand at the present time a significant proportion of its future merchant ship workload consists of ships for Swan Maritime Limited. It is possible that several of these ships will not be built or that their construction will be postponed. In the meantime negotiations for these or similar ships are continuing with other shipowners, but it is not yet possible to predict the outcome and in view of the impending nationalisation of the shipbuilding industry it was thought right to advise the Government of the situation.

Until decisions have been made on the issues involved the Directors feel that it would be imprudent to predict the results of Swan Hunter Shipbuilders for 1975, but nevertheless, based on the information currently available the Directors are of the opinion that the results from its other shipbuilding companies and its other activities will enable the Group to show a profit in 1975.

The Directors have resolved to pay an interim dividend of 3.0000p per share (1974—2.7700p per share) costing £551,093 (1974—£508,842). The dividend will be paid on the 31st December, 1975, to shareholders on the register at 2nd December, 1975.

## RECENT ISSUES

**EQUITIES**

Issue Price	Annual Dividend	Yield %	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358
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# Standard Chartered ahead at halftime

TAXABLE PROFIT of Standard Chartered Bank improved from £42.72m. to £44.72m. during the half year to September 30, 1975, for the full year 1974-75 the figure was £81.53m, after charging £8m. additional provision against advances.

First-half earnings per £1 share are shown to be up from 31.3p to 32.1p and the interim dividend is raised from 6.25p to 6.75p net. Last year's payment was 12.2943p.

In October the company changed its name from Standard and Chartered Banking Group.

Reflecting continuing losses by Knoll Spinning and Jerseycraft, the company has a deficit of £167,000 in the half year to August 29 1975 and there is no interim dividend.

In last year's first half there was a pre-tax profit of £309,000 but this had been reduced to £144,000 by the year end. Dividends totalled £1,792,500 net.

The chairman, Mr. J. L. Hanson, says that Knoll has not yet recovered from the effects of the raw material losses resulting from the repudiation of export orders.

But Jerseycraft, on its reduced trading basis, has improved its position; before interest, its losses for the first half have been reduced from £35,000 to £33,000.

Jerseycraft should show further improvement and at Knoll Spinning, although its losses will continue in the second half year, they should be at a reduced rate.

Present indications lead him to believe that the group will return to profit during the second half of the year.

Half-year Year  
1975 1974 1974-75  
2000 1900 2000

External turnover ... 8,197 9,752 16,546  
Trading surplus ... 311 571 1,237  
Depreciation ... 228 221 449  
Bank interest ... 222 241 469  
Less before tax ... 167 309 164  
Group profit ... 459 610 1,139  
Knoll loss ... 454 101 617  
Jerseycraft loss ... 119 146 329  
Tax credit ... 4 710 167  
Minorities ... 91 140 47  
Attributable less ... 91 140 47  
Profit ... 167 309 164

The liquidity position is satisfactory, he tells members, and the question of a final dividend will be considered in the light of the year-end results. The dividend on the 41 per cent. Cumulative Preference for the half year has been paid, absorbing £3,338 (£3,938), he adds.

Mr. Hanson says that Knoll has not yet recovered from the effects of the raw material losses resulting from the repudiation of export orders.

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## Parkland Textile deficit

Reflecting continuing losses by Knoll Spinning and Jerseycraft, the company has a deficit of £167,000 in the half year to August 29 1975 and there is no interim dividend.

In last year's first half there was a pre-tax profit of £309,000 but this had been reduced to £144,000 by the year end. Dividends totalled £1,792,500 net.

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## MINING NEWS

# A better day for Golds

BY KENNETH MARSTON, MINING EDITOR

TAKING heart from a recovery of \$1.50 to \$1.80 per ounce in the bullion price, Gold shares regained their aplomb yesterday.

After a good demand, much of which came from the U.S. prices closed at the highest levels and the Gold Mines Index recovered 10 points to 228.4.

As pointed out in this column yesterday, the beneficial effects on mine revenue in terms of 17.9 per cent. devaluation is still a long way from being eroded by the continued rise in costs and the fall in the gold price from the \$150 per ounce level.

The latter price obtained in early September immediately before the devaluation, the International Monetary Fund sale next year of \$25m. ounces, a gold price of only \$120, however, is now equivalent in terms of funds to the \$150 before devaluation.

How far is yesterday's rally in the metal price to be trusted? Bullion dealers were inclined to be cautious, pointing out that the move reflected only a modest amount of buying in what had become an oversold market. Even so, some considered that in the absence of any new developments, prices of both gold and silver could now be in a bottoming-out phase.

PHOENIX MINING OUT OF THE RED

A return to the dividend list is reported by Phoenix Mining and Finance with a declaration of 1.5p in respect of the year to September 30. The company's last payment was one of 1.68p for 1974-75.

Turnover in 1974-75 showed a marked increase to £13.1m. from £27.143 and net earnings came out at £24,201 against a loss of £242,320 after deducting an investment provision of £1,337 (£183,313) and the profit of the associated company retained in Phoenix was £24,050 (£152,500). Earnings per share are 2.14p compared with a loss of 18.15p in the previous year.

No further provision has been made against the company's £1.50 per cent. holding in Globe and Phoenix Gold Mining (1973-74 £104,258) as the directors consider the investment to be fairly valued.

Net asset value per Phoenix Mining share as at September 30 is 27.99p compared with 27.22p at the same time a year ago. Globe

and Phoenix holds 42.77 per cent. of Phoenix Mining, shares of the latter being 18p in London yesterday.

Anglo United

Canada's Anglo United Development has raised \$400,000 via a private placing of 600,000 of its treasury shares to Northgate Exploration. The new funds are to be used for the exploration of 38 prospecting licences in Ireland which are held by France's Penarroya.

But the money is being retained pending the completion of a new venture agreement between Anglo United, Penarroya and West Germany's Preussag. The licences being probed by Anglo United include the Mallow basin in Ireland where there are high silver values of up to 6.9 ounces per ton were obtained earlier this year.

Anglo United were 57p yesterday.

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## INTERNATIONAL REMOVALS II



Left: Installation of new rotary presses at the Oslo evening newspaper Aftenposten in Norway. Manufactured by MGD Graphic Systems in Preston Lancs. the presses are being moved by Beck and Pollitzer Engineering and placed by the company in conjunction with MGD fitters. Right: Pickfords trolley which keeps the books in sequence during library removals.

## Industry's growing mobility

IT IS ONLY in comparatively recent years that industry and commerce have become mobile. Up to a few years ago it would have been almost unthinkable for a company to move its manufacturing or administrative facilities several hundred miles to a new location. Yet nowadays this is an everyday occurrence, and the demand for specialist organisations to handle the planning and physical moving of plant and equipment with the minimum of disruption has given a great boost to this side of the removal business in recent years.

One of the main causes of this change is pure economics, for while on the face of it it may seem an expensive undertaking to move an office or factory to a new location, the actual savings in rent and rates are considerable. The most obvious is in differences between land prices and rents in a place like London, when compared with other parts of Britain, particularly those operating Government incentive schemes in Assisted Areas. For factories, a frequent reason for a move is simply a need of space. If a company cannot expand a manufacturing plant at an existing location, it is better in many cases that a complete new factory be found elsewhere rather than a piecemeal expansion. The disadvantages of moving away from

## Boost

In other cases it has been known for companies to move to "escape" a troublesome labour force, and go to an area of unemployment in the hope that labour relations can be given a fresh start and put on a better footing. Or it may simply be that the supply of the right sort of labour is drying up in the existing location and a move, perhaps to a new town with sites and a labour pool, solves the problem. Local government reorganisation has provided a particular boost on the office removal side in recent months.

Increased specialisation and a higher degree of technical expertise have characterised the development of this side of the

removal business in recent years. For a manufacturing company wanting to move expensive, heavy and delicate equipment several hundreds of miles to a new site presents a headache that they would rather pass to a specialist, and this produces removals companies that are very much more than industrial or commercial versions of the household removaler turning up at the factory and loading a series of trucks.

Companies like the Giltspur Bullens concern, Vanguard and the specialist part of Pickfords make it their business to bring home to management the costs of disruption and downtime which can be minimised by the planning skills of specialists, involving them in planning meetings with the customer perhaps several years before the actual move. There is no doubt that a company on the move has to face costs which may be hidden behind the apparent cash costs of the actual move.

A specialist removal company with the experience of similar moves behind it will get better efficiency out of skilled men, specialist equipment and vehicles, and can use non-working hours, nights and weekends to produce an entirely untroubled result. There have been cases, for instance, of newspaper moving their production base from one building to another without losing an edition. Bullens will even undertake production on Friday in one location and opening up on Monday morning, with the same production schedules, in a new factory.

Such contracts are the forte of companies like Beck and

Pollitzer Engineering, which specialise in moving printing presses and other heavy plant. Vanguard, a company that prides itself on its tradition of approaching every job like a military operation, has acquired a reputation for tackling the seemingly impossible, and its handling devices are as much a part of the company's business as the removal van. Vanguard was the company that marked up, dismantled and removed for preservation 700 tons of late Victorian hydraulic engines from Tower Bridge, to give just one rather unusual example.

## Detail

Similarly, Bullens offer what they call a "truly comprehensive" service in factory removals. They undertake not only to move a factory's equipment but take full responsibility for dismantling and setting up at the other end. With highly trained specialists the company will plan the operation down to the finest detail and then at the time appointed and according to a strictly organised plan will move in to disconnect and dismantle mechanical and electrical services, dismantle and move plant, machinery and equipment, and locate and re-erect at the new site, connecting to gas, water, steam and other piped and ducted services. Bullens will even undertake the design, as well as the installation, of electrical systems, including control equipment. The office and commercial removals field is estimated by

Pickfords to involve some 25,000 to 30,000 moves of business and institutional organisations a year in the U.K., and these figures do not include local authorities, health, education, and Property Services Agency moves. Another indicator is that the Location of Offices Bureau says it is responsible for the movement of about 150 companies a year, this group alone employing 20,000 people. Pickfords estimate the market at £10m. a year, and since they also say that only 50 per cent of such moves are done by removal contractors, there is obviously further growth potential on a fair scale for the removal industry.

Pickfords has just expanded its office and commercial removals division into ten regional centres and has introduced new specialised equipment backed by a new training programme. This side of the Pickfords business was centralised on Croydon and it is an indication of the growth of this market that the new centres are spread widely around the country, including two in Scotland.

The company, as part of this new approach, has designed a new type of removals van which has a 1-ton hydraulic lift built within the body width and inside the closed bodywork. The vehicles have a crew cab for up to five. This van is backed up in the new set-up by special plastics containers of 3 cubic feet, designed to stack and nestle and particularly good for accommodating lateral files. Wheeled dollies for the containers make them easily

movable, while wheeled book trolleys with shelves have been introduced for the moving of libraries, archives and filing systems. Pickfords has a colour coding system which involves a label being attached to each item which gives a key to the exact location of that item at the destination.

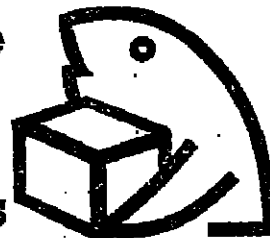
For particularly specialised items for removal there are companies that confine their activities to certain areas. James Bourlet and Sons, for instance, specialise in handling works of art, antiques and pictures and their clients include museums, galleries, and the art trade. In a case like this there are special problems associated with the delicacy of the items involved, and the security aspects. Since this type of consignment is frequently moved around internationally there also has to be special knowledge in the moving company of regulations affecting works of art in the various countries.

In recent times some of the companies specialising in moving works of art have found they can apply their special skills to moving computer equipment which requires almost the same care.

So whether the move in question involves huge pieces of heavy engineering equipment, a few office desks and chairs, works of art, or computers, there has been increasing emphasis in recent years on expertise based on sound training and special equipment. More and more companies are finding that it pays to use the experts.

Hugh Colver

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## And now a brief word from the largest in the field.

International removals, as this survey takes care to point out, are of their nature complex. Which is another way of saying that any mistake, for instance in the completion of forms or compliance with regulations, can cause irksome delays.

So obviously, the more experienced the company, the more chances of their getting everything to go smoothly.

And the bigger they are, the more moves they will be making. Which can often provide savings in both time and money.

## Numbers speak louder than words.

Over the last 12 months alone, our Overseas Department has handled approximately 13,500 shipments.

These included 7,500 removals (of which about 1,000 were to Europe), ranging from simple household moves, to large office and commercial removals.

If you're contemplating an overseas move, please ask us. It may well be that the quote you think the most of, will come from the company that does the most moving.

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Hugh Colver

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## Habit

CONTINUED FROM PREVIOUS PAGE

affect furniture and clothing four jet aircraft to carry £20m. worth of paintings, furniture and objects d'art—and there were still two containers that had to go by sea. Items included trees illegal. For the individual paintings by Degas, Gauguin, Cezanne and Renoir, a jade tree, his hands, and for the company and 700 pairs of Mrs. Annenbergs' handmade shoes.

That is not the kind of household move that is an everyday occurrence but with "only" one London to Singapore, while moving Blue John vase broken it does indicate the expertise in the Angeles which was the destination. On a much smaller scale, and through one removals company, moving away from the inter-national sector, household removal firms in the U.K. still involved in international moves, find themselves under pressure also specialises in moving company executives and their hire element and the small out-belongs around the world. It is that undertake removals recently undertook the ultimate move, with untrained personnel, no insurance and no in moves when the former standards. Organisations like American Ambassador in the British Association of Britain, Walter Annenberg, Removers and the Institute of the Furniture, Warehousing and move involved the chartering of

lary keen on maintaining standards in the industry, and provide training courses and educational qualifications for the "reputable" end of the business.

However, more and more people are prepared to move themselves and, by hiring the appropriate vehicle and getting some neighbourly help, it can be done quite cheaply, particularly if the move is a short one.

## Licence

The established removal companies find the "back street" removal contractor the most difficult to compete with, and criticise the regulations for not having effective control. An operator's licence is required, but provided the authorities are satisfied that the concern is able to maintain the vehicles, is financially viable, and free from previous conflicts with the law, little is needed to qualify. And if the remover uses small

vehicles he will not even need the licence.

It is no surprise therefore that the established removal companies have tended to move "up market," since at the lower end of the scale householders tend to go for low price and do-it-yourself. The industry will be quick to point out that if one does not have to pay for training courses, special equipment and operating standards, it is not difficult to undercut on price. It has been thought for some time now that this may change under the EEC umbrella, and certainly Britain has the most liberal licensing arrangements in the Community.

The "mature household" and the international mover will always go for the established, if more expensive, specialist and for these groups this pays great dividends—in calm nerves, insurance and the minimum of disturbance.

Hugh Colver

## THE GAUNTLETT WAY!

The Gauntlett way spans the world.

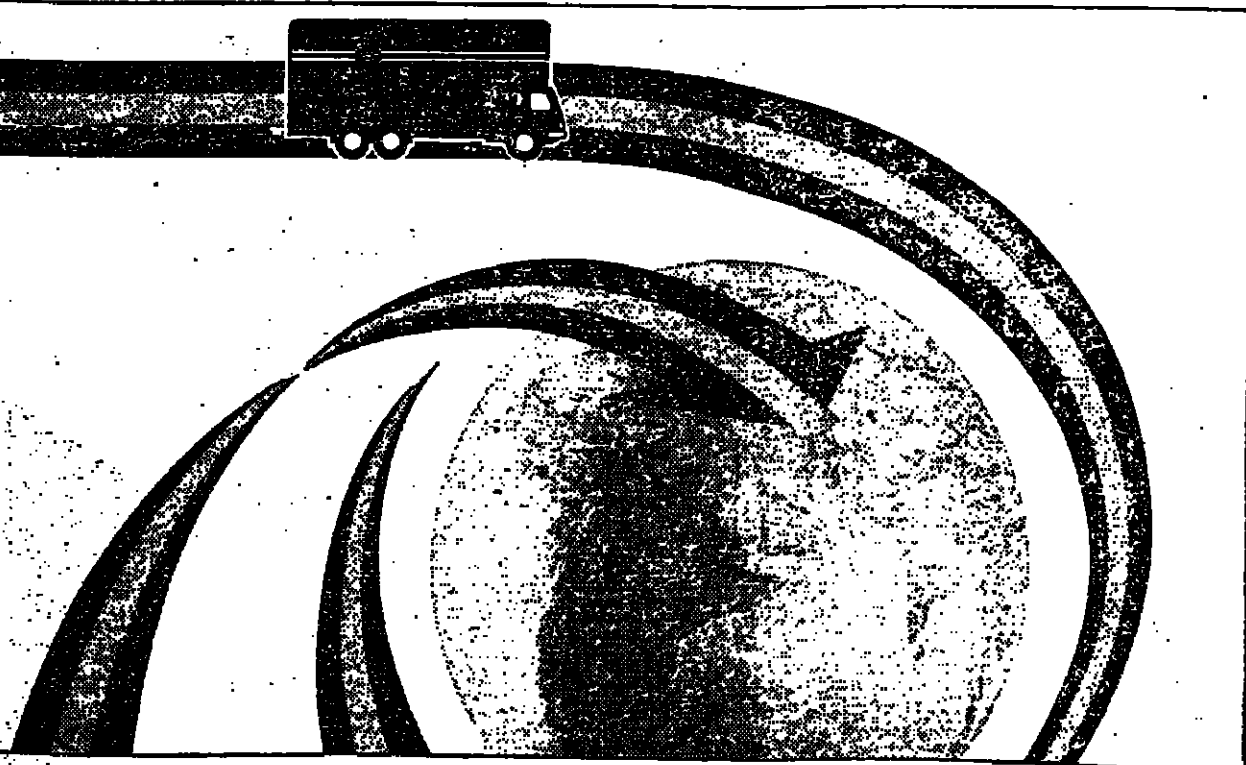
The Gauntlett Way means international removals on the grand scale, backed by deep experience, expertise and absolute dependability. The Gauntlett Way has been travelled for well over 100 years. Today's removal consultants, continually progressing every load, and the master packers, on the spot from beginning to end, are all fully trained in the special complexities of international removals. They're expert, too, in the specialist handling of fine furniture and works of art. The Gauntlett Way means a standard of service almost forgotten. Our normal facilities are probably unsurpassed by another company. Additionally, if you specially request it, you can arrive at your new home, wherever in the world, and find glass and crockery washed and stored, floors scrubbed and carpets laid, curtains cleaned and hung. That's the Gauntlett system, standards and service.

If you're moving internationally, move the Gauntlett Way



## GAUNTLETT REMOVALS

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Telephone: Godalming 7766/7893  
Telex: 859462





# WALL STREET OVERSEAS MARKETS

## Low drops further 13 points

BY OUR WALL STREET CORRESPONDENT

SHARP LOSSES hit Wall Street today when brokers reported concern about the economic outlook and the fragility of the New York City financial bailout programme.

The Dow Jones Industrial Average dropped 13.14 to 842.20 and the NYSE All Common Index gave way 74 cents to 247.22, while losses outpaced gains by around five-to-one. Trading volume further expanded 1.88m. shares to 17.9m.

Selling was due in part to the second-straight monthly decline in the Index of Leading Economic Indicators. Investors were also disturbed that the New York City financial support plan could be upset by a pending Court Suit.

A hearing begins Wednesday on a Suit in New York City by local bank to upset a part of the plan involving a moratorium on certain securities.

International Harvester gave up \$2 to \$2.25 on fourth-quarter earnings of 2 cents per share, down from \$1 a year earlier.

Consolidated sank \$2 to \$25.11 estimated to lose 30 per cent of its current revenue because of an FCC decision that "Comsat's" international rates are too high.

Altek's shares tumbled \$1 to \$22.50. Plans to offer 750,000 Common shares.

National Semiconductor declined \$2 to \$30.40, although it received a three-year contract to supply 100,000 units of its 1000 series of P and P with electronic point-of-sale systems.

Aushnet's shares were marked up \$6.10 to \$17.25 on American Brands agreement to acquire its Common shares for \$2.50 a share, or one share of a new convertible preferred stock for each Aushnet Common share.

Mountain Fuel Supply picked up \$1 to \$50.10, while increases totalling about \$3m, a year.

The American Sea Market Value Index fell 1.27 to \$4.08, while declines outpaced advances by 50-to-40.

Bic Pen dropped \$1 to \$10.00 on labour trouble at its plant.

Canada still lower

Canadian Stock Markets continued to lose ground in light trading yesterday, when all sectors participated in the decline.

The Industrial Share Index dipped 1.54 to 1734.4, Golds 0.77 to 236.25, Base Metals 0.73 to 72.85, Western Oils 2.00 to 203.75, Utilities 0.82 to 126.78, Banks 0.23 to 235.35 and 06.10 to 61.10.

Bank of Nova Scotia lost \$1.82 to \$42 following a rights offering. Banker's Trust lost \$1.88 to \$18.88 and Bank of Montreal declined \$1 to \$18.88.

LAC shed \$1 to \$18.88, plans to convert to a Chartered Bank.

PARIS—Market fell back on

lost Frs.30 to 2,580.

Yield: 100.00 moved up Frs.240 to 4,180.

In mixed Chemicals, Tessenderlo were down Frs.40 to 1,800, but UCB were up Frs.83 to 2,850.

Electricals and Utilities were mixed. Holdings mixed, while Oils were down.

U.S. shares fell back among weak International. Dutch, German and French sectors were lower. South African Gold Mines were mixed.

AMSTERDAM — Broadly lower in a fair volume.

Banks, Insurance and Transportations were all slightly lower.

Dutch Industrials also were predominantly lower. Abold were

down Fls.2.70. Van Gelder Paper-Fls.1.00, 1500 Holland Fls.0.8 and KBB Debeer Fls.3.

Amsterdamse Druggok dropped Fls.6.5 to 79 on its heavy loss for 1973.

Bonds were steady to Fls.0.10 lower.

OSLO — All sections quiet. VIENNA — Barely steady. COPENHAGEN — Higher in active dealings.

GERMANY — Shares fell in nervous trading on profit-taking and some lack of investor confidence after yesterday's lower order figures for German industry in October.

Dutch and Engineering lost up to Dm.5, while in Electricals, Brown Boveri fell Dm.6 and

Siemens Dm.2.50. But AEG added Dm.1.20 after renewed talks with Saint-Gobain-Pont-a-Mousson, over the future of the Kraftwerk Union.

Hoechst were down Dm.1.30 on its nine-month figures.

Of the two Bavarian banks that gave interim figures, Verensbank lost Dm.1 and Hypobank Dm.2.

Bonds were firm in quiet trading.

SWITZERLAND — Markets eased in quiet trading. Banks, Financials and Insurance shed ground and small losses predominated in Industrials. Chemicals also eased.

State Bonds were generally very steady.

In moderately active Foreign Market, Dollar stocks and German were easier, Dutch International, Barmer, despite some profit taking.

Bonds were quietly mixed.

HONG KONG — Lower in decreased trading.

Hutchinson shed 2 cents to \$1.00. Jardine 20 cents to \$1.90. Wheelock "A" 5 cents to \$3.25 and Hong Kong and Kowloon Wharf 20 cents to \$1.70.

Bank of China Bank were up 10 cents to \$1.10.

TOKYO — Easier, with sentiment affected by the continuing rally in the U.S. market.

Volume 160m. (130m).

Blue Chips led the initial decline, but selling pressure tailed off.

Foodstuffs were generally weak. Maruishi fell ¥20 to ¥1,370. House Food ¥40 to ¥1,210 and Nissin Food ¥80 to ¥2,200.

Yokohama Specie and "Large Capital" Petrochemicals and some Plant shares lost ground on profit-taking.

Kyoto Ceramics gained ¥80 to ¥3,850 on its good business performance.

JOHANNESBURG — Golds were slightly higher, following renewed local and overseas interest.

Mining Financials were quiet.

Coppers were weaker. Tins were little changed.

Industrials were quiet and marginally easier, while Asbestos and other minerals were mixed.

AUSTRALIA — Profit-taking hit some of the "high-flying" Resource stocks and Industrial leaders in another brisk trading session.

Underlying strength of markets was unpaired.

Pancontinental came back 40 cents to \$3.88 and Clah were 20 cents to \$3.50.

Gold and Silver were mixed. Santos added 10 cents to \$3.10.

Mary Kathleen Uranium picked up 10 cents to \$4.00.

Herald Warrants gave way 10 cents to \$1.00.

Gollin held unchanged at 14 cents after its \$3.67m. loss.

GERMANY —

A.E.G. 91.2-1.3

B.N.W. 25.4-1.2

BASF 125.5-2.1

Bayer 35.2-1.8

Chemie 31.5-1.2

Continental 31.5-1.2

Daimler 31.5-1.2

Deutsche Bank 31.5-1.2

Dresdner 31.5-1.2

Elektron 31.5-1.2

Essen 31.5-1.2

Frankfurt 31.5-1.2

Hamburg 31.5-1.2

Karlsruhe 31.5-1.2

Köln 31.5-1.2

Leipzig 31.5-1.2

Mannheim 31.5-1.2

Munich 31.5-1.2

Nuremberg 31.5-1.2

Regensburg 31.5-1.2

Salzburg 31.5-1.2

Stuttgart 31.5-1.2

Ulm 31.5-1.2

Worms 31.5-1.2

Zürich 31.5-1.2

Basel 31.5-1.2

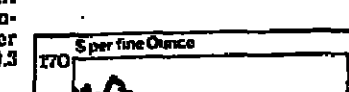
Bern 31.5-1.2

Geneva 31.5-1.2

Lausanne 31.5-1.2

# £ & \$ steady

Sterling remained fairly steady 702½ previously. The coins against the U.S. dollar and most premium over its gold content against the U.S. dollar, currencies in the narrowed to 2.87 per cent. From foreign exchange market yesterday, 3.08 per cent. in the domestic market, and widened to 3.03 per cent. in the international market.



LONDON GOLD PRICE

The pound opened at 2.0210-2.0220 in terms of the dollar and closed at 2.0215-2.0215 early on. During the afternoon sterling touched 2.0220-2.0230 and closed at 2.0220-2.0210, a fall of 5 points on the day.

The U.S. dollar continued its recent firm trend against other major currencies in the morning, but showed an easier trend during the afternoon. A small amount of support for European currencies against the dollar may have been undertaken by certain European central banks, and the U.S. unit showed little overall change at the close in terms of the other major currencies. The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York on a non-revised, narrowed to 1.88 per cent. from 2.04 per cent. previously.

Gold gained \$1½ to close at \$182.10, but business was not heavy, with the metal showing a firmer trend following the opening of the New York market. The Kruggerand finished at \$144.14 (170.71) for domestic delivery, compared with \$141.44 (169.71) for export.

Special Drawing Rights (SDRs) were steady at 1.7500.

Other currencies were mixed. The Swiss franc was steady at 1.7500.

The Japanese yen was steady at 1.7500.

The Australian dollar was steady at 1.7500.

The Canadian dollar was steady at 1.7500.

The New Zealand dollar was steady at 1.7500.

The South African rand was steady at 1.7500.

The Hong Kong dollar was steady at 1.7500.

The Singapore dollar was steady at 1.7500.

The Thai baht was steady at 1.7500.

The Indonesian rupiah was steady at 1.7500.

The Philippine peso was steady at 1.7500.

The Vietnamese dong was steady at 1.7500.

The Cambodian riel was steady at 1.7500.

The Laotian kip was steady at 1.7500.

The Burmese kyat was steady at 1.7500.

The Sri Lankan rupee was steady at 1.7500.

The Malayan ringgit was steady at 1.7500.

The Brunei dollar was steady at 1.7500.

The East Timor dollar was steady at 1.7500.

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# GOLD MARKET

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# OVERSEAS SHARE INFORMATION

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The growing economic need to utilise space more effectively, combined with a wish to conserve good examples of architecture, is having desirable results. H. A. N. Brockman reports

## New look behind those old façades

A LARGE and increasing amount of architectural design work is now going on inside the façades of many older buildings, particularly in London. This trend has two factors behind it: the economic need to bring the services and space within the building to a level previously unnecessary; and the very recent, and laudable, desire to maintain and conserve some of the remarkably good architecture represented by the façades of these buildings.

A great deal of thought goes into these operations. Not only must the architect strive to preserve the best features of an interior—a fine staircase, for instance, or a particularly well-designed boardroom—but he must ensure that the remaining alterations bring into being a much greater amount of usable space and a better interior climate.

One example of this re-ligging, albeit one much criticised on cost grounds, is the conversion of Norman Shaw's Scotland Yard building, where the work has entailed the least disturbance to the splendid interior and much restoration in the way of decoration and fine wallpapers. This was done by the architects of the Department of the Environment and did not offer the economic structures that a private client would demand. Nevertheless it was a job worth doing in this drab and inflationary period.

### Complicated

A far more drastic example, involving the complete modernisation of both the services and the interior appearance of the building, was the work of the architectural division of Richard Ellis (under Mr. P. E. Williams) at Thames House, Queen Street, which has been completely modernised inside for Brooke Bond Liebig: curiously, the preservation of the outside of the building presented one of the major interior problems as the windows on every floor varied greatly in shape and size.

economic result was to be achieved.

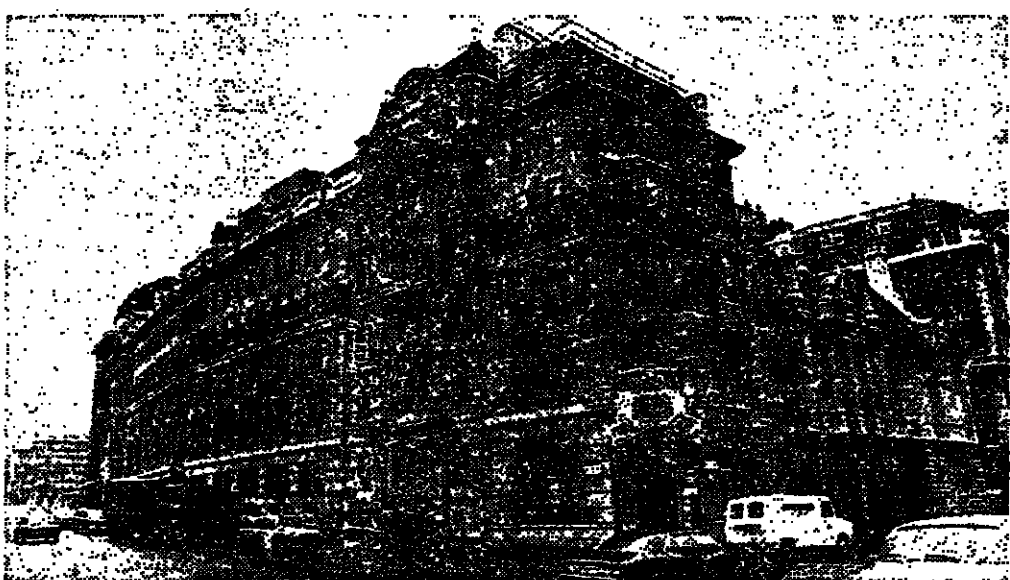
Thus it was that an interior shell was constructed within the building structure with due respect, where possible, to the existing window positions. The shell took the form of a partition within the perimeter walls provided with inner windows arranged on the module created for the economic arrangement of light fittings and services. These windows were fitted with opal plastic diffusers containing clear plastic discs to give the staff as much outlook as possible. Full air conditioning was installed, and the staircases, lifts and lavatories entirely reconstructed. There was one exception to this wholesale

insert a first floor mezzanine time when architects could giving total market areas of 20,000 square feet.

This highly sophisticated conversion has augmented the traditionally verbal trading by a backing of telecommunication systems. Closed circuit television, computer controlled, shows trading prices both in the markets, by way of monitors mounted in the ceiling, and in brokers' offices instantly. Trading "rings" are surrounded by the brokers' booths, each of which is a miniature communications centre containing up to 12 telephones, TV monitors, a public address system and retained other links with the outside world. As part of the reconstruction the members' in the timber-floored and

interiors behind the original exterior. It was regarded as an architectural sin to do so. But to-day there is not only both a social and a practical need for drastic modernisation following the technical and other advances of the last 20 years or so but also the need to discover whether it is not possible to re-use good structures in which to plant the modernised interiors.

There are also the architectural gems whose structures are not so good but which must be retained for aesthetic reasons alone. Such are the Nash world. As part of the reconstruction the members' in the timber-floored and



Thames House, Queen Street, which has been completely modernised inside for Brooke Bond Liebig: curiously, the preservation of the outside of the building presented one of the major interior problems as the windows on every floor varied greatly in shape and size.

Internal restructuring and that was the northernmost and characteristic staircase, which was retained as a symbol of past glories.

Another drastic and technically interesting conversion is to be found in London's Corn Exchange, where the market hall was traversed by a new floor and galleries. In this case, however, there was no question of the preservation of the frontage, as the hall cannot be seen from the street. Corn has been marketed on the site since the thirteenth century, although the present building is modern: a marble clad steel and concrete frame spanning a high single-story hall. Because of light restrictions, an increased amount of market area had to be accommodated within the existing modulated within the existing aptation if a spatially space, and it was necessary to

restaurant (seating 90) was timber-roofed buildings. At modernised and refurbished. In addition, it was found possible to introduce a mezzanine bar and coffee lounge. This complicated work was also designed by the architectural division of Richard Ellis under Mr. B. W. Hardcastle.

The architectural work of this firm is extremely wide. It has gained a number of Civic Trust Awards and was among the finalists for the Financial Times Industrial Architecture Award in 1970: a record bodeaking considerable experience.

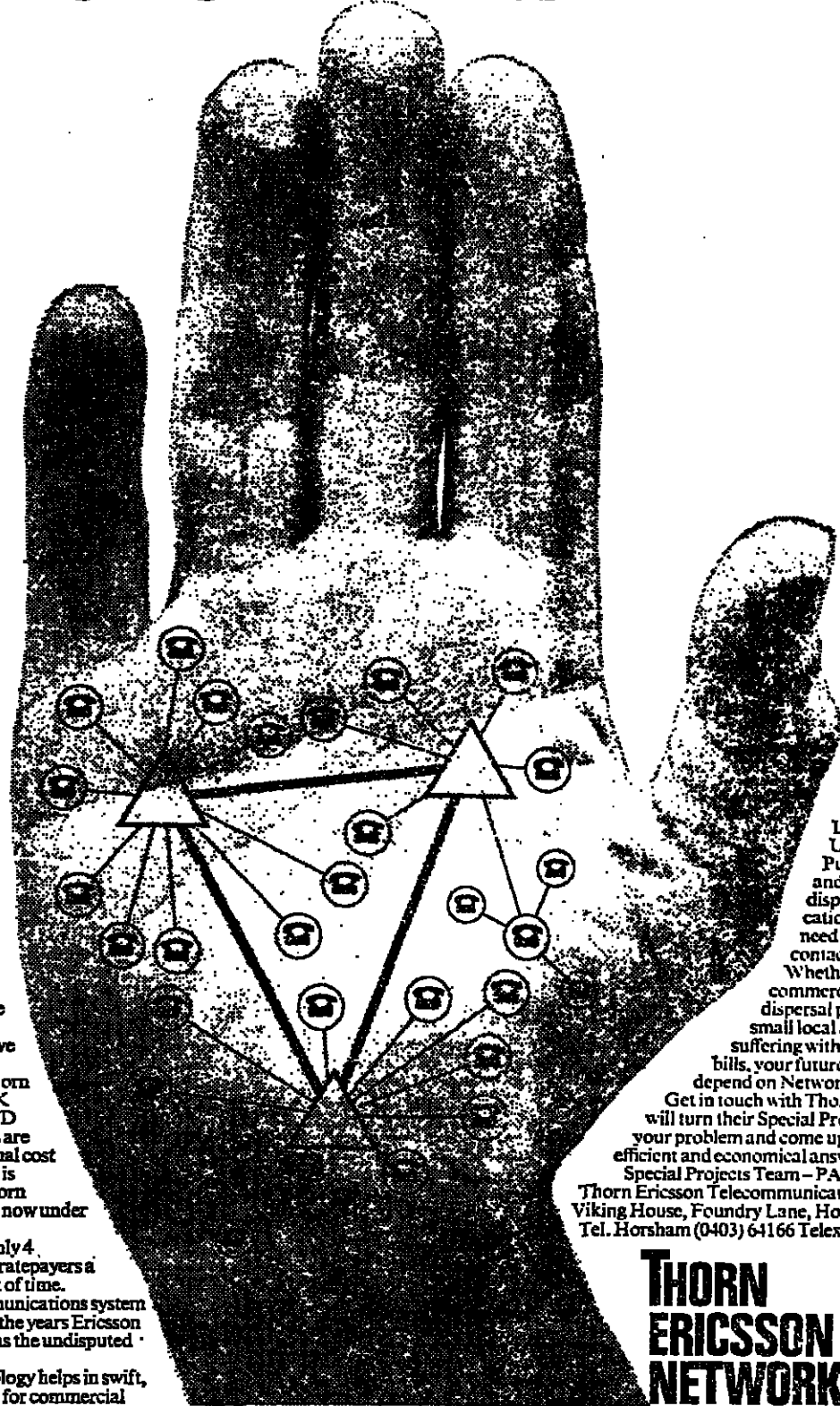
It is important, however, to realise that much more attention is now being paid generally to the maintenance of those "things which are seen," to freshened-up best of the past while bringing the technical and writer on architecture, the late aesthetic best of to-day into the Trystan Edwards. There was a new interiors.

At Sussex Place in Regents Park (Architects B. and N. West-wood Plet and Poole), the London Graduate School of Business Studies enjoys a wholly reconstructed interior behind a restored building frontage. The same applies to the eastern and western extremities of Park Crescent, where a private dwelling has been converted for use as a Crown Court.

So it is that Victorian and earlier mills become studios and offices, old warehouses become flats and maltings are converted as social centres and concert halls—all with the combined and worthwhile view of opening people's eyes to the "things which are seen," to freshened-up best of the past while bringing the technical and writer on architecture, the late aesthetic best of to-day into the Trystan Edwards. There was a new interiors.

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**THORN ERICSSON NETWORKS**

The Bahamas tourist industry, on which half the country's jobs depend, has hit serious problems. Nicki Kelly, in Nassau, examines the attempts being made to revive it.

## Holidays under a Bahamas cloud

THE BAHAMAS' once-thriving tourist industry is in serious difficulties. Recent studies by the Ministry of Tourism have shown that poor attitudes towards the visitors and increasing competition from the growing number of Caribbean resorts have further aggravated the situation already made precarious by inflation and recession. Mr. Clement Maynard, the Minister of Tourism, recently mentioned the fact that so many of his countrymen are tempted to take tourism for granted, with half the nation's jobs and if the Government's revenues were to fall, the industry would be without the industry with less of it.

### Signs

Signs of decline began to show in 1970 after an annual growth rate during the 1960s of more than 80 per cent. The slump coincided with the economic difficulties in the U.S., but was largely the result of adverse publicity abroad over high hotel prices, poor service, and the generally stale attitude of those serving the tourist.

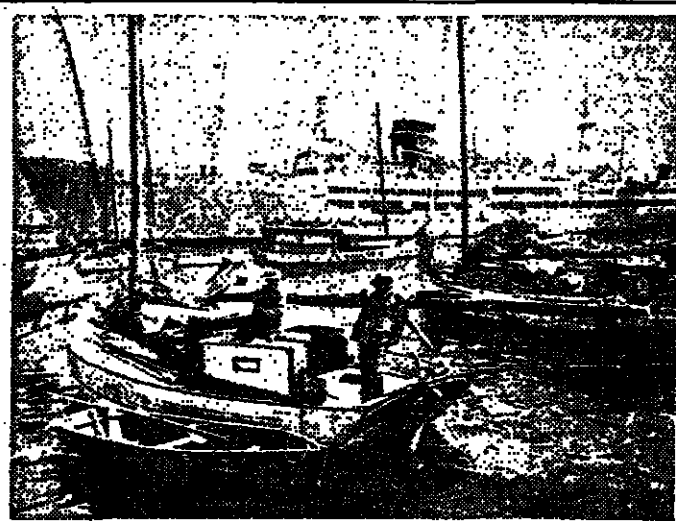
With the Government launching an intensive courtesy campaign, the industry recovered sufficiently to achieve an annual growth rate of somewhat less than 4 per cent in the next three years. In 1974, however, visitor totals plunged nearly 9 per cent, below the 1.5m. recorded in 1973, with rivals, the industry's mainstay, down by more than 5 per cent. These unfavourable turns were only partially offset by the fact that there was a slight increase in the average length of the visitors' stay. Earlier this year the Ministry of Tourism optimistically predicted an overall 4 per cent increase in 1975 and an 8 per cent rise by 1976. But a

2.4 per cent drop during the first nine months of this year indicates that there is little chance of the goals being met. The American segment of the market has been hardest hit. Travel from the U.S. to the Bahamas plunged by nearly 11 per cent in the first six months of 1975.

Last year, at a cost of \$20m., the Government purchased three Nassau hotels which were in danger of closing, to retain the reputation of the Bahamas as a first class resort. The hotels, he said, were to form the nucleus of a convention centre and casino to be completed in 1978. The convention centre is still only on the drawing board, and all three hotels, like other such properties, are badly in need of refurbishing but without the necessary funds. Although the Government has refused to commit itself, there has never been any denial of charges that the three resort complexes are continuing to lose money heavily. Poor business, particularly at the Grand Bahama, resulted in a number of closures earlier this year and the layoff of several hundred hotel workers.

A report commissioned two years ago by the Ministry of Tourism called the Bahamian hotel industry "sick." Emphasising the need for high quality service, the report said that relative freedom to employ qualified foreign staff, coupled with intensive in and out-of-house training, was "absolutely essential" to return the industry to a healthy and profitable status. In the last seven years, under Government pressure to Bahamianise as quickly as possible, the number of expatriate staff in the hotel industry has been reduced from 19 to 3 per cent. But inexperience and insufficient training have meant a reduction in standards, too.

Coupled with their manpower problems, the hotels have also been severely crippled by high utility charges, which have



Nassau Harbour: at least the cruise ships still call

increased 160 per cent in two years. Hoteliers have warned that the Government must be prepared to help slow down the escalation of operating costs if the Bahamas tourist industry is to remain competitive in the world tourist market.

The Ministry of Tourism has announced an intensive "people to people" programme which, it is hoped, will improve relations between Bahamians and visitors. Numerous activities, including home visits and parties at Government House, have been planned to promote greater social contact between the two groups. In addition the Chamber of Commerce has launched a clean up of downtown Nassau to improve the appearance of buildings and remove loafers and drug peddlers who constantly harass visitors.

In the face of a declining number of U.S. travellers, the Bahamas has sought, with some degree of success, to diversify by concentrating on Canadians and Europeans. In 1974, 78 per cent of the stay-over visitors were from the U.S. compared with 85 per cent only the previous year. Traffic from Europe and Canada, however, has doubled in the last three years.

During the first six months of this year Canadian stop-overs totalled 9,640, a 12 per cent advance on the corresponding period last year. In 1974 there were 52,530 European stop-overs—a 23.2 per cent increase over the previous year.

Nonetheless, diversification has placed new strains and demands on tourist services to meet the need for the non-resort-type accommodation preferred by Europeans. Most of the hotels in Nassau and Freeport were designed to cater to middle and upper income visitors and have become uneconomical to operate in an age of mass travel.

The Minister, Mr. Maynard, has emphasised the need to construct low budget accom-

modation for middle and lower middle income group visitors who cannot afford, or do not wish for luxury hotels and expensive goods and services.

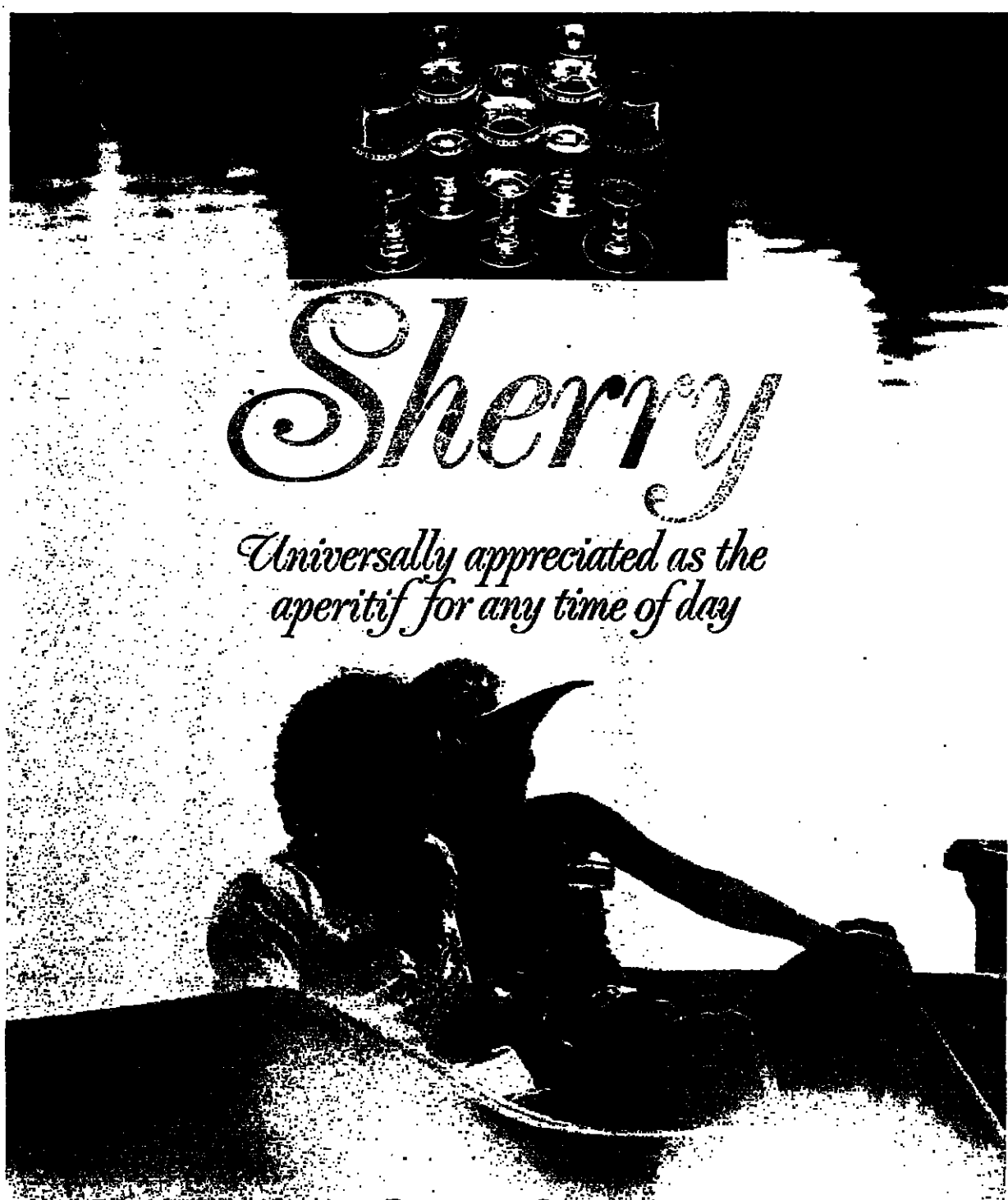
Having benefited in the last five years from inclusive tour charters (ITCs) from Canada and Europe, the Bahamas is counting on the introduction of one-stop charters (OTCs) from the U.S. to stimulate that flagging market. At the same time, the scheduled carriers are countering OTC competition with group fares of their own from the Mid-West and New York.

### Tax-free ban

With ITCs now accounting for over 60 per cent of the Canadian visitors to the Bahamas, group charters are expected over the next several years to have a tremendous impact on American and European tourism to the islands. These benefits may well be nullified, however, by legislation now before the U.S. Congress to prohibit tax-free conventions outside the country. The ban could have a disastrous effect on the Bahamian economy and the Caribbean generally. Conventions, once a staple of summer business, are now an integral part of the winter travel market to the area.

But in the final analysis, the success of any travel incentive must inevitably rest on satisfying visitors. The Minister of Tourism has pointed out that only 20 per cent of the country's annual tourist trade is repeat business. The effect of this is that the Bahamas must each year recreate a whole new market.

"This is not nearly good enough," Mr. Maynard has told hotel workers. The Bahamas, he said, is fighting to maintain its strong position in the face of fierce world competition for fewer and fewer tourists. It was taken home a good impression.



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## FINANCIAL TIMES REPORT

Wednesday, December 3 1975

## MEAT and POULTRY

Government support, higher prices and better weather than anticipated have all contributed to the U.K. meat industry being in far better shape than it was 12 months ago. But the prospects in the longer term remain problematical.

reached a record 9.11 oz per person, dropping back to 7.45 oz in the second quarter. Similarly, the average expenditure was 24.58p per person a week in the second quarter of 1974, rising to 32.98p in January-March this year before easing back to 29.38 in the second three month period of 1975.

Lamb consumption has followed a similar but not such a pronounced pattern but pork and bacon consumption has dropped steeply following the sharper cutback in supplies and the steeper increases in wholesale and retail prices.

For producers the main difference between 1974 and 1975 is that in the past 12 months they have enjoyed the very thing they demanded as essential to preserve any semblance of confidence in beef production—that is a "floor" in the market. This has been provided—thanks to the agreement of Britain's other EEC partners—by a system of variable payments (virtually the same as the old deficiency payments of the U.K.'s pre-EEC days) which have brought producers' market returns up to a pre-determined level when market prices slipped too far.

## Pressures

Even though beef producers, like other livestock farmers, have been under severe pressures over costs, made worse by long periods of unkind weather exacerbating feed shortages, at least they have the assurance of knowing what price they would get for their beef animals for months ahead.

Underpinning the arrangement is the traditional EEC system of intervention buying if prices slumped too low. In the summer this is precisely

what did happen and for the first time ever British beef was sold into intervention; but the three or four hundred tons involved made a tiny foothill alongside the EEC frozen beef "mountain" of some 300,000 tons-plus.

During the year the distributive trade has handled a record quantity of home produced beef with total home killed supplies at well over 1m. tons. Recently margins have tightened but during the year the combination of increased sales at higher prices brought an increase in turnover and gross margins, as the Price Commission found during its special inquiry into meat margins.

As a result of its inquiries the Commission published a report which exonerated meat distributors from the charges often levelled at them by consumers and some producers of overcharging or profiteering.

The housewife is not getting a raw deal, stressed Sir Arthur Cockfield, the Commission's chairman, when the report was published in September. Profits and processing costs in meat distribution are extremely modest compared with those of most other industries, he said.

The investigation had been ordered following allegations that during the big slump in cattle prices in 1974 housewives were not benefiting and that the lower price levels were not passed on fully at the retail end. The Commission did find that distributors' profits increased during 1974 and the rise "was entirely justified—small as it was in relation to final retail prices." However, there was evidence to show that this year

profits had come down again wiping out some of the previous gains. The Commission is keeping the industry's margins under

Among the details, thrown-up by the report was the estimate that for every pound spent by consumers in an independent butchers shop last year, 80p represented the cost of the meat to the butcher, 8p staff wages; 1.5p rents, rates and electricity; 1p wrapping; 1p transport; 3p interest, laundry and other costs; leaving a net profit before tax of 8p for the working proprietor.

## Price

In cash terms distributors' profits represented a small proportion of the retail price. In addition to the butchers' 6p per pound the net profit of wholesalers was the equivalent of 2p. Over the four years 1971-74 wholesalers had increased their profits by 1p in the pound and butchers by 1p. The increases had had only a small effect on the price of meat in shops, the Commission stated. Retail prices were up to 14p in the pound higher than they would have been if distributive net percentage margins had remained constant over the four years.

Another boost for meat distributors during the year was the beginning of the first, ever national meat promotion campaign by the newly formed Meat Promotion Executive. Its first, rather hurriedly drawn-up, campaign to tackle an autumn prices slump that never really developed to the extent prophesied inevitably attracted criticism. But the knowledge that the industry has £1.4m. a year to spend promoting its product is certain to give it the trade more confidence which prices. However, there was evidence to show that this year

profits had come down again wiping out some of the previous gains. The Commission is keeping the industry's margins under

fight against inflation is difficult to assess. As speakers at last month's annual conference organised by the Meat and Livestock Commission stressed there is no room for complacency over the amount of meat eaten at present. Dr. Ken Baker, MLC's livestock director, said: "Despite the increased spending power which became available during the relatively affluent years from the late 1950s to the early 1970s, there was little change in the overall consumption per head of red meat in the U.K. In 1973 and 1974 the overall consumption dropped from the levels prevailing during the 1960s and early 1970s. Also during these last two years our total consumption was below the average of the nine EEC countries for the first time."

And trying to prove that meat is not expensive he went on to point out that while the index of all food prices increased by 43 per cent., the retail price index by 49 per cent. and earnings by 49 per cent. over the past two years, meat and bacon prices rose by only 25 per cent.

Taken with the facts that Britain's self-sufficiency in meat supplies has bounded-up in recent years to 86 per cent. for beef; 78 per cent. for pigmeat and 57 per cent. sheepmeat (compared with 57, 64 and 44 per cent. respectively in the early 1960s) the picture looks quite rosy. But the image is false, he said.

Far from showing a buoyant and expanding industry the satisfactory self-sufficiency levels achieved recently were reached by slaughtering of many breeding animals.

In addition meat imports have fallen due in no small part to the U.K.'s falling ability to buy food cheaply on world markets. In 1961 the U.K. imported about 30 per cent, or 288,000 tons of the total of just under 1m. tons of beef available on world markets. Ten years later the U.K. imported only 249,000 tons or 13 per cent, of just under 2m. tons available.

The implications are clear, if we are to maintain and hope to increase our meat eating habits, we have to produce more meat at home from our own resources and as efficiently as possible," said Dr. Baker.

## Bleaker

Professor George Allen, Aberdeen University's Professor of Agricultural Economics painted an even bleaker picture. "If we as a nation come to accept the policies necessary to ensure our economic revival it is quite likely that we shall not be able to afford much more meat in 1980 than we did 10 years earlier," he forecast. Domestic consumption of beef is likely to fall from around 1.24m. tons to as low as 900,000 tons by 1980.

"The next five years will see a stagnant demand for meat in the U.K. There will be some inroads of meat substitutes—not simply soyabean based foods but also cheese—and consumers will be under special pressure to switch from the more expensive meat items," he forecast. "In consequence the meat trade will find the rate of growth of its volume of sales substantially lower in the 1970s than in the previous decade."

Peter Bullen

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## Cattle and sheep

EMBROKESHIRE, or Dyfed as it is now called, I recently visited a 150-acre farm whose beef unit he had been doing over the last nine months and going back to milking. It was interesting as he had been panicked into the by the appalling prices of year. He had realised that the smaller scale farmer, under any system of hurry does not generate sufficient cash flow to be the main part of the enterprise.

is not merely a question of market prices. It is simply the beef animal is the converter of a farms resources of grass and concentrates into meat or milk, the saleable products. To lift the equation, it takes four pounds of compound stuffs costing 14p to re a gallon of milk worth present prices 35p for year.

The same fed to a fattening steer only produce just over half pound of live weight gain at £25 per live cwt. the price for next March will be 11p.

of farming's tragedies recent years has been the er of farmers who opted to go in for beef production as a main source of income on the prospect of event-high prices under the Common Agricultural Policy. Even

huge increase in the national herd since 1970 which brought cattle stocks up by a total of 3m. head, from 12m. to 15m. at their peak. This increase was accompanied by no increase in either the land or the fodder stocks needed to feed them. The result has been a rise in the cost of fodder, hay, for instance, by 400 to 500 per cent., added to a doubling of concentrate and fertiliser prices.

It was, of course, imprudent of farmers to increase their herds in this way, but the growth cycle of the beef animal usually means that the man who raises the calves seldom fattens them out. In general, beef cattle pass through two or three hands before they are finally sold, the calf rearer, the store cattle improver and the final fattener. So those who initiated the increase felt no responsibility for what would happen after they sold their year's production.

In the event they received a very rude shock as the low prices for finished cattle, especially in 1974, had the effect of making their own sales returns collapse. It used always to be said that someone in this chain of beef production, either the rearer, the improver or the finisher lost money and in general it is the rearer who is most at risk.

Past Governments have recognised this, and as well as guaranteed prices have maintained a system of production grants for calf rearing. Either a direct subsidy of £8.50 and £6.50 for bull and heifer calves respectively from the dairy herd rising to payments totalling about £37 per head for a hill cow and her calf. Without these payments it is certain that supplies of cattle from these sources would have been much reduced. Even so hill farmers claim that in spite of the grants and the higher prices this autumn, the job is hardly

The June 4 Census showed some evidence of a decline in cattle numbers but it is as yet too soon to determine whether this will be more than a correction of the overstocking which took place in the previous two

or three years or a really substantial decline. The U.K. is at present self-sufficient in beef and in the event of any short-fall there is at present an abundance of cattle in Ireland which has been the traditional source of beef cattle to make up British numbers. An indication of the increase in British herds is that imports of cattle from Ireland dropped from about 600,000 annually five or six years ago to nearly one-third of this figure recently.

The reduction in the U.K. importation of Irish cattle has been reflected in the amounts going into intervention in that country, which has about the largest intervention beef stocks in the Community.

## Cheapest

There is a further factor which any prudent farmer considering beef production would be wise to bear in mind. The U.K. consumer has up to now been able to enjoy the cheapest beef in Europe as the Government here has refused so far to implement intervention buying to keep prices up. Instead there has been a flexible premium, in reality a deficiency payment to maintain farm prices. This has cost the Treasury about £100m. so far this year. By January 1, 1978 the intervention price here should approach the level ruling in other member States which would mean an increase in the price of beef by up to 60 per cent to 70 per cent. Will the consumer pay these prices or will consumption patterns change? And will the Government still opt out of the EEC price structure?

In the course of the past few weeks there has been a very marked improvement in prices for calves and all ages of cattle. This is partly due to farmers restocking with more confidence thanks to a very favourable autumn which has certainly reduced the period of winter feeding which was at one time in prospect. There is also the incentive of a very high target price for beef next spring and early summer which should be reflected right through the chain

of production. So total numbers should at least stabilise at a level significantly below the peak of 18 months ago, but one which should be maintained within the capacity of the industry.

Most beef rearing farms have a flock of sheep and after a pretty appalling period last autumn when the sheep suffered the same price disasters as beef cattle things have been fairly good. There is a guaranteed price for lamb and wool, supported by a deficiency payment system and the market has been helped in addition by exports to the French market which takes about 10 per cent. of total production. This market though is irregular in that it opens and closes arbitrarily, and imposes as well a levy equivalent to the guaranteed price in the UK.

British farmers had been hoping that the EEC would institute a regulation for sheep meat which would allow free access to the French market. The regulation has been proposed but neither the British or French Governments wish it to be put into effect. The French because it would tend to reduce prices paid to their farmers and the British because it would mean a substantial price rise for consumers, to say nothing of the damage which any such measure would do to New Zealand exports by raising their price on the British market or excluding them as it would have to do. The only possible solution at present would seem to be a U.K. quota based on present exports.

At present the British flock seems to be falling slightly and it is possible that this trend may continue as farmers find that they have alternative uses for their land. The attractions of oil seed rape as a crop have persuaded some farmers to get rid of their sheep and use their crop instead of sheep and grass in their rotations.

However, the need for sheep as an essential income earner on most hill and livestock farms will probably keep them well above their levels of a few years ago.

John Cherrington

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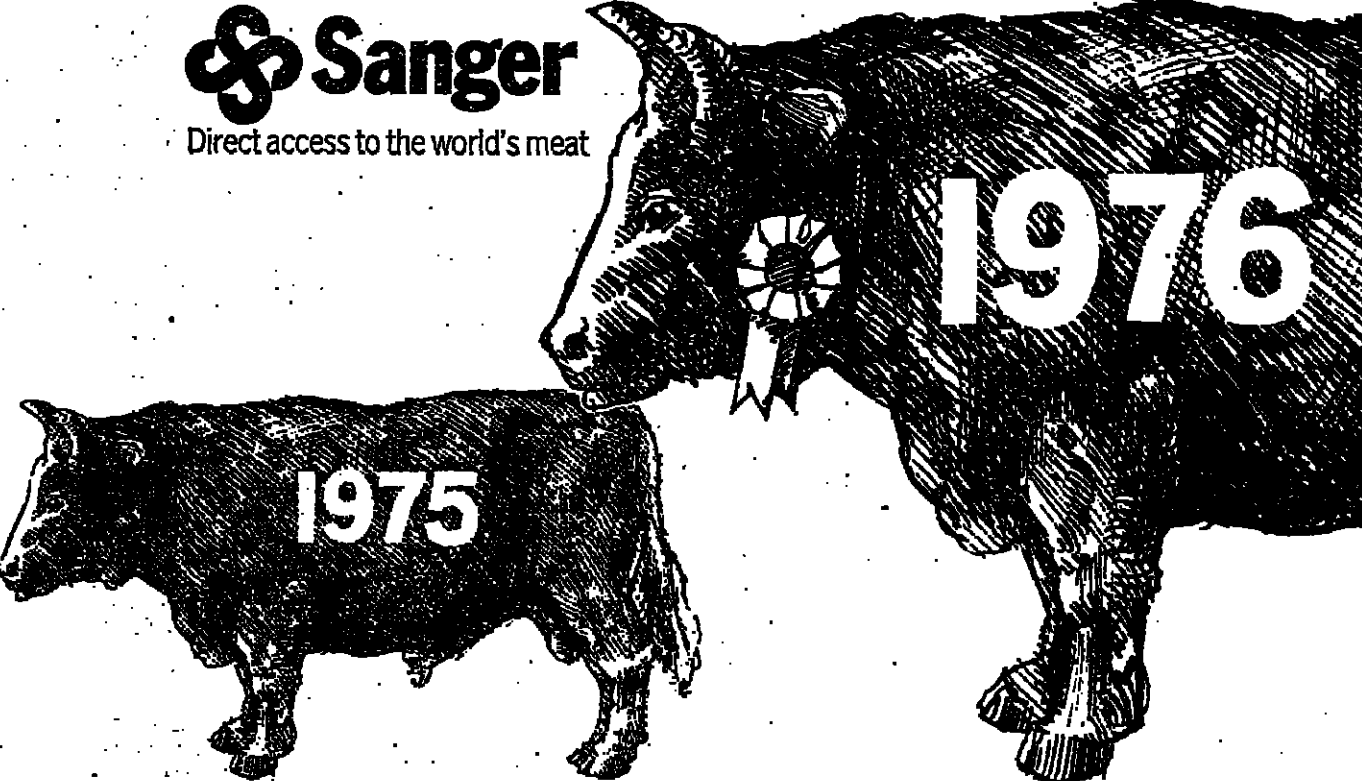
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## MEAT AND POULTRY II

# Manufactured products

LIVESTOCK FARMERS and meat manufacturers share a common wish. They would both like to see an end to the "Green £" or the "phoney £" as they would call it, which is used in calculating EEC farm prices and charges in the U.K.

Alternatively they would like to see the "Green £" devalued in line with sterling so that on the one hand U.K. producers receive as much value from EEC prices as their counterparts in other Community countries, and that meat manufacturers from the Common Market do not have an unfair advantage over those in Britain.

The combination of monetary compensation payments and the transitional compensatory payments amount to an export subsidy of 8 per cent. on bacon, ham and other canned pigmeat products, according to the Meat Manufacturers' Association. This gives their EEC competitors an advantage which in these days of keen pricing and even keener shopping by consumers is hard to beat.

A few months ago the whole industry was despondent because of falling returns, rising costs, increasing foreign competition and grave fears of serious shortages of raw materials following the cutback in production by livestock producers, especially pig farmers. In recent weeks some of the gloom has lifted. Firstly, the Government persuaded the EEC to sanction

the fourth devaluation in the "Green £". Secondly, the latest farm livestock census results have given the first indications that pig breeding herd cutback is ending and young breeding sow numbers are beginning to climb again. In addition Mr. Fred Peart, the Minister of Agriculture, publicly told meat manufacturers that he would continue to support the EEC Commission's moves to relax import restrictions on manufacturing beef. This ban, imposed the height of the Common Market beef glut last year, has been a source of frustration to the manufacturers.

### Processing

Mr. Peart has said improvements to the EEC's system of linking beef exports to import commitments, the "Exim" system as it is called, will also help but manufacturers are not so sure about this. In addition he promised to press for the introduction of the scheme for importing non-Community frozen beef for processing at a reduced or nil levy.

The Minister told the MMA that he was not personally opposed to the idea of profits. Profits were needed in order to fund investment.

This touched on a particularly sensitive area for meat manufacturers who have for long complained of the difficulties caused by the Price Code.

especially in its early days. The combination of the Code and highly distorted market conditions had cast them into near despair. Mr. Bill Newton-Clare, MMA chairman, has stressed. Earnings were substantially below those of the rest of the food sector. Not a few companies were losing money substantially: most were making no profit in important sectors of their product ranges. Some had ceased trading. Others were closing factories and the labour force had been cut by 5 to 10 per cent.

Meat manufacturers are by no means certain that they will be able to obtain the type and quantity of meat they need in the coming year or two despite the indications of the returning confidence in the British livestock industry.

A lot will depend on how quickly farmers swing back into pig keeping again. At least pigs are relatively quick and prolific breeders and another six months could radically alter the supply position. But some leading manufacturers believe that pigs will still be in short supply in late 1976 and into 1977.

If recent forecasts prove correct, Britain and the EEC could well be facing a shortage of all types of beef in 1977, including the cheaper beef processors require. That is why the industry is pressing the Government to do what it can to per-

sue the EEC to drop its ban on beef imports — which will happen very quickly, however, when any real signs of beef shortages in the Community appear.

The overall state of the economy and the restrictions on consumer spending as a result of inflation, wage rise limitations, reduced working hours and widespread unemployment naturally worry meat manufacturers. They are consoled to a degree by the thought that many of their products are viewed as cheaper than appetising alternatives to meat in main meals. Everyone realises that the British, particularly children, love their sausages, meat pies, hamburgers and other prepared meats. The quantities consumed are staggering though.

Every year we munch our way through some 300,000 tons of sausages and 150,000 tons of meat pies. For British farmers this represents a valuable outlet for most of the older cows not wanted by the butcher. A total of 250,000 tons of cow meat is used by meat processors every year and if bacon and ham are included about 600,000 tons of the U.K. national pig herd is handled by meat processors.

The meat makes up over half the manufacturers' costs on average as Mr. John Locke, executive vice-chairman of the Meat Manufacturers' Association, pointed out last month.

Speaking at the Meat and Livestock Commission's annual conference about the role of the proteins made from soya and other substances he warned that there was little doubt that the cost of manufacturers' main raw material, meat, would continue to rise. Over the past ten years the average return to producers for pigs had risen from £2.19 a score (20 lbs) to about £6.40—an increase of 190 per cent. Cow prices had moved from £6.30 to £14.80 a live cwt or 140 per cent. Labour costs—manufacturers' second largest cost after meat—had also climbed steeply with pay rates going up by 140 per cent.

### Policy

"Whatever policy changes may be made within the EEC context it is quite clear that the cost of beef in the U.K. will rise towards the EEC guide price, which is currently £450 per ton above our market price. Pigs are hopefully on a high (price) plateau, but inflation will continue to raise prices through the EEC as a whole. Mutton and lamb prices will inevitably increase as we bring these gradually within the Common Agricultural Policy regime" he said.

Although world prices for beef are lower than those in the EEC at present, cyclical movements would narrow the gap in the short term and in the

long term growing world demand coupled with domestic would raise prices and markets.

"We shall have to rely increasingly on supporting ourselves, but this will be at a cost and it seems to me inevitable that the roast beef of England will become more of a luxury and less our birthright," he forecast.

This did not mean that it was a case for substituting meat in manufactured products with the cheaper new products on a vast scale. The incorporation of a percentage of the new protein could help to keep the price of meat products at an acceptable level competitive with food.

The so-called novel products were ideal for use in meat products whether through the use of cheapness of the material or through their intrinsic properties which reduce shrinkage and cooking losses. Meat manufacturers could use them as a weapon against the enemies of rising costs and competition from other meat food products. Used to a limited degree and clearly labelled new proteins could help the industry maintain the meat habit and it was the sale of products that they were in business for, he stressed.

Peter Bull

## Investment market

THERE IS no shortage of opportunities for stock market investment in companies with meat and poultry interests, but the trading and net profit fluctuations characteristic of this sector have tended to be reflected in volatile share price performances. On the poultry side, for example, the share price of Bernard Matthews fell from 121p to 11p during 1974, but it has risen by over four and a half times this year.

The main feature of the last 12 months has been the contrasting fortunes of the meat processing and poultry businesses. For the former, it has generally been a difficult period—underlined by last week's disappointing results from FMC, as well as by the recent comments of Mr. Bill Newton-Clare, who runs the Scot Bowyers meat division of Unigate and is also chairman of the Meat Manufacturers' Association. He pointed out that the negative cash flow of recent years, and the combination of the Price Code and highly distorted market conditions had meant that many companies were losing money. "Some have ceased trading, others have closed down factories or are in process of doing so, and there has been a substantial reduction in the labour force of between 5 and 10 per cent."

In Scot Bowyers case, the

combination of reduced demand, competition from subsidised imports and more expensive pigs led to a drop in profits from £3.25m. to £2.25m. during the year to the end of March this year. And results during the current 12 months are going to be affected by the same influences since the relative prices of pigs and beef have yet to move in the group's favour: meat manufacturers generally are worried about the slow response of pig producers to higher prices. The impact on Unigate is shown by the fact that while Scot Bowyers was acquired at the end of 1973 for about 30 per cent. of the ultimate equity, its shares of pre-interest profits dropped from over a sixth of pre-interest profits to under a tenth in 1974-75.

The picture is no brighter at some of the other meat processors: Unilever, for example, has made no secret of continuing problems of the meat side of Walls, while at FMC profits for the 24 weeks to October 11 fell from £1.52m. to £172,000. The group blamed principally losses incurred by the Marsh/Harris group, whose margins have been hit by a combination of higher pig prices, increases in costs and price controls. FMC warned that there was unlikely to be any marked improvement in the current financial year.

Moreover FMC's fresh meat side is also well down on last year's "quite exceptional" levels. These prospects and the recent controversy over the changes in boardroom control have been reflected in the recent share price performance as the shares are now only standing at a few pence above their 1975 low.

Even though some of the smaller companies have more flexibility, they have also been reporting lower profits—Pork Farmers, for example, was nearly a quarter down pre-tax at the half-year stage as a result of the combination of high prices being paid for pork and the impact on selling prices of legislative controls.

### Contrast

In contrast, there has been a distinct improvement in the profits and prospects of the poultry producers this year, mainly as a result of a sharp rise in the price of broilers. The initial impact of this upturn was seen in the results of J. B. Eastwood for the year to the end of March. An interim loss of £1.37m. was clipped to a deficit of £544,000 before tax by the year end.

But the group only had the benefit of the more favourable trends for a short period before the year end and the main bene-

fits should come in the current year. Broiler prices were nearly a fifth higher during the first seven months of 1975-76 than during last year, and egg prices have also been firmer while feed costs are actually lower. The worry for the medium term is that feed costs have started to rise again and chick placements are also increasing—opening up again the possibility of over-production. Although the group should make profits of several million pounds this year, its share rating reflects the volatile record.

Fitch Lovell also reported a recovery in the results of its poultry divisions during the six months to the end of April, following a loss in the previous half-year. Similarly, FMC's recent problems would have been even worse but for a £450,000 turnaround into profits from its poultry side.

The turkey business has also been able to tell a much brighter story recently. Eastwood, for example, lost about £2m. in turkeys in 1974-75, but should be able to report far better figures in the current year following expected increases in the sale price of Christmas turkeys of more than a third over the past 12 months.

Bernard Matthews was particularly badly hit by the rise in feed costs and by tough competition from lower red meat prices. During 1974 a profit of £1.16m. was turned into a loss of £729,000—and the consequent sharp cutback in production by the early slaughter of the breeding stock and the reduction in stocks of frozen turkeys did not start having an impact until this year. In the first half of 1975, prices were roughly a fifth higher than 12 months earlier, so with steady feed costs, there was an improvement at the half-way stage from a loss of £542,000 to a profit of £42,000.



Agriculture Minister, Mr. Fred Peart, at Smithfield Market earlier this year.

with much more to come in the current half. However, the impact of the cutback in production was reflected in the fall in turnover from £3.79m. to £3.31m. during the period. The overall turnaround in production has also been registered in the share price performance noted at the beginning of this article.

On the retail side, there are relatively few opportunities for direct investment in butchers—and the largest quoted company in this area is Matthews Holdings, which also takes a variety of other interests both in the U.K. and overseas. In June, when reporting a rise in pre-tax profits from £426,000 to £556,000, Matthews said that meat retailing had had a "satisfactory" period of trading. Much of the meat retailing trade is part of larger public

groups, such as the supermarket chains of larger retailing organisations. These have been continuing source of tough competition for the independent family butcher. The profits of meat retail have come under close scrutiny this year following the Commission's report on meat. This concluded that there was no evidence of profiteering—the expense of the competition though profits did last appreciably during 1974—market prices for meat were depressed. This increase, according to the Commission, "not entirely justified—since it was in relation to final prices." Evidence this year indicates that profits have come down again, wiping out last year's gains.

Peter Rice

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CONTINUED ON NEXT PAGE



# Eastwood Thompson are in an expansive mood

working well in the U.S. this does not mean that it would necessarily work in the U.K.

Another scheme for restoring confidence to pig producers was undertaken recently with the formation of a fresh pork production and marketing co-operative in Cheshire. Its members aim to sell their produce through local butchers under a brand name. One pilot group involving ten producers is already operating the system in Macclesfield and are so far pleased with the way in which it is running, according to the firm's managing director.

The firm is the animal feed and compounding company which originated and organised the scheme.

point in delaying the price increase in the hope of selling more bacon in the short term. However, the position seems to be changing and the Danish bacon importing company reported last week that increased supplies would be available in the coming weeks after all.

To be fair it must be pointed out that the Danes were under special pressure to raise their price to compensate for the £80 a ton they lost through October's green pound devaluation and a

Total supplies of bacon to the K. market during 1975 are estimated by the British Bacon Producers' Federation at 482,830 tons, 37,860 tons below the 1974 figure, which itself compared with 549,000 tons in 1973 and 47,000 in 1972. The decline is being reflected both in home production and in imports but K. farmers have fared less well than the Danes who this year have regained first place among bacon suppliers to the British market. Danish bacon exports to Britain are expected to rise from 210 to 230 tons, representing 46.35 per cent of total supplies, while last year's 20,640 was only 44.29 per cent of the total. At the same time home production has declined from 240,280 tons to 207,260 or from 46.14 per cent to 42.92 per cent. The proportion shipped to third countries has risen marginally.

The recent rise to record prices, with Danish bacon standing at £955 a ton and British at

amount paid on bacon shipped to the U.K. But in some trade quarters serious doubts have been voiced as to whether the recent price rises have really been justified by the level of demand. And many merchants fear that the seasonal decline in demand which must be expected after Christmas could be especially difficult to deal with in the longer term.

In this time, therefore, also, price prospects are none too bright for the pig industry. Signs of a rise in U.K. pig numbers have been noted and this expansion is likely to begin to move into production in the New Year. No significant rise in overall slaughterment is expected to make itself felt until April or May but in the meantime suppliers will have to face the possibility of persistent consumer resistance to current record price levels, during which there is usually a slack time after bacon demand.

Before entry into the EEC this basic instability was counteracted by a comprehensive price support system including a flexible guaranteed price and a feed price formula, but with both of these now gone the market is once again at the mercy of the economic cycle. The desire for stability and the possibility of positive forward planning has therefore revived interest in the possibility of establishing a futures market in pigmeat and the Meat and Livestock Commission is currently undertaking a feasibility study on this question.

The MLC also noted the importance of outside influences on the prosperity of pig producers. "The general affluence of the consumer is the main influence on the total quantity of meat eaten and developments in the production and marketing of meat analogues will have an important influence on the future of the pig industry," it declared.

**Richard Mooney**

**And have been for some time now,  
in direct contrast with the surrounding  
commercial stagnation.**

THIS YEAR has been one of consolidation for the poultry industry after the disastrous experiences suffered in 1974. Supply has been cut back into line with reduced demand, and the industry is now hopeful that 1976 will see a resumption of expansion in the market, as a result of the expected higher prices and cutback in supplies of the competitive red meats.

It has not been a particularly profitable year for either chicken or turkey producers. Indeed the turkey producers have been under particular pressure, with prices dropping by some 15 per cent while output costs have continued to rise and retail prices remaining at low levels.

But after 1975, the industry is to solve one of the turkey industry's most difficult problems—the concentration of sales at Christmas. Advertising campaigns and promotional efforts have been managed to boost turkey sales at other holiday times; remarkably Easter and the Spring Bank Holiday. But the 1975 turkey produced annually, as sold at Christmas. Because of rising costs, and competitive pressure, the amount of turkeys produced by small farmers just in

for the Christmas trade is tending to decline. This year the heavier weight fresh turkeys are expected to be in shorter supply, but there should be adequate supplies of the frozen, oven-ready birds, particularly in the lighter weights. The big producers, anticipating less money being available for shoppers, have concentrated even more on the mini-turkey, whose size and weight is more suited to many housewives trying to keep spending down to a minimum.

great as in the past in view of the great strides made in the last 20 years or so in converting the turkey from a luxury product to a very competitively priced meat. So producers are anxious to ensure that the price they obtain from the market is adequate to meet their costs and avoid a repetition of some of the crippling losses suffered recently.

The only way this can be achieved is by keeping production in line with demand, and this will require a great deal of co-operation amongst producers who are basically competitors. But no one wants to see a repetition of the 1974 situation and the relatively small number of large producers enables them to adopt a joint approach more easily than other integrated industries. Broiler chicken producers have suffered in much the same way as turkey growers, with sales falling as the glut of available meat, particularly beef, available. Chicken sales have fallen below the 300m. mark as a result, but the decline has been arrested by keeping prices remarkably low in view of the

continuing increases in output costs. Naturally this has affected profitability badly, especially as egg prices have also been at disastrously low levels for much of the year.

However, the integration of the chicken industry, and the ability to arrange long-term contracts for supplies is a considerable help in planning production to be close to anticipated demand. Poultry producers point out that chicken and turkey are much better converters of grain into meat than cattle or sheep, and that therefore there is strong case for encouraging poultry output at the expense of other meats in a world where a large proportion of the population is still suffering from undernourishment or starvation.

They point out that it is grossly unfair and unwise to spend enormous sums of money subsidising a beef "mountain" while the poultry industry receives no financial aid at all. In Britain at least, it has to stand on its own feet and compete with other means supported by heavy subsidies indirectly to the producer or directly like the beef voucher system used last year to dispose of surplus

The answer is at once straightforward and complex. Put simply, it is by a conviction that adventurous enterprise must succeed. But a closer inspection of the structure of the Eastwood-Thompson Group and its *modus operandi* reveals a team of people who know the practicalities of the international meat trade through and through. Who spread their field of activities into operations and locations which yield the most advantage. Who offer the world's meat producers assured markets and profitable futures. Who foster confidence and thus investment.

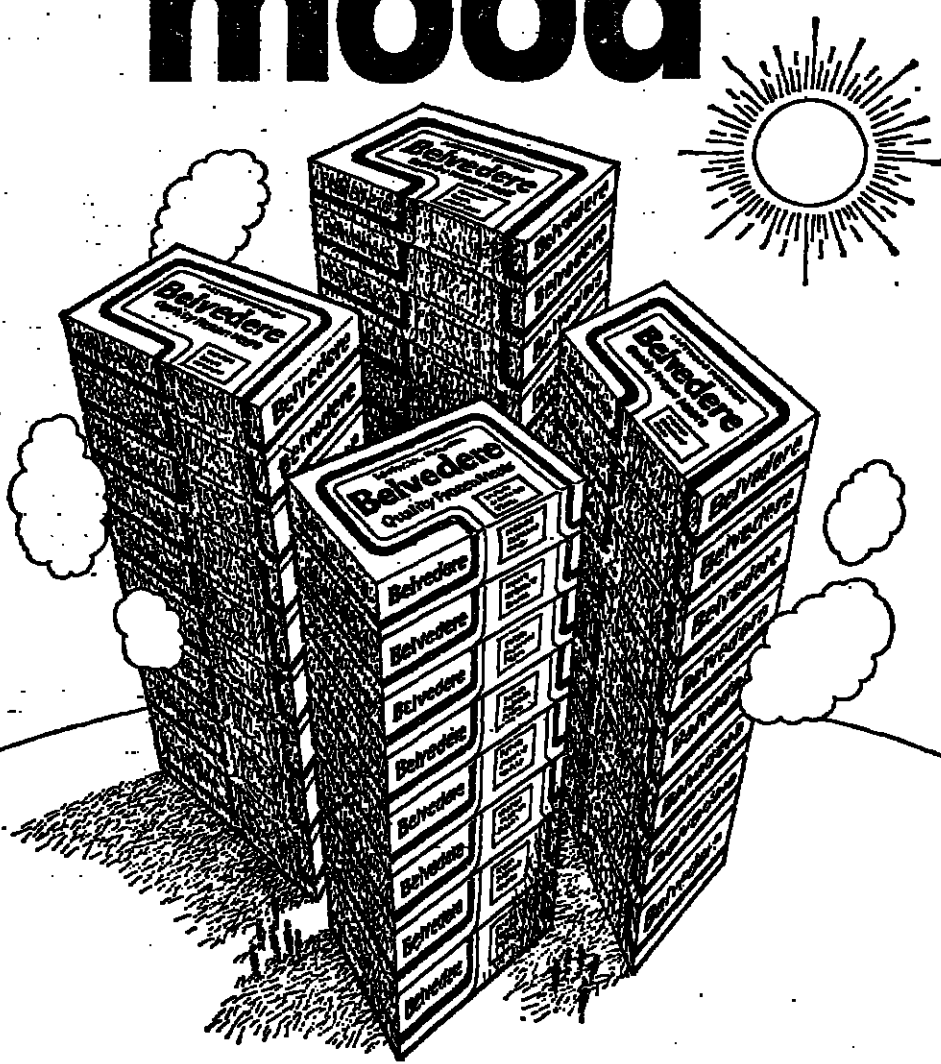
Look at the Group's expansion record for just the past few months. A meat trading office and stance opened in Glasgow, an EEC procurement office in Eire. A new centre in Reading which puts under one roof a portion control and packaging scheme, a contract negotiating team, and a Cash and Carry store. This venture by Eastwood Thompson has also given them the opportunity to launch a new range of bulk-buy consumer packs for home and catering freezers; yet another outlet for the vast purchases of quality meat which the Group makes from the world's prime producers.

These innovations add to an already comprehensive network of processing plants, depots and transport facilities which accumulate an annual turnover of around £50 million. Yet this is

achieved with a total management and staff personnel of under 300 in the fourteen centres in Britain and Europe.

Now — having assured themselves and their customers of a steady flow of transactions within the EEC — Eastwood Thompson look on past Europe to the world. For new producers to feed fresh markets. The Group has successfully traded with traditional sources in the Southern Hemisphere, the U.S.A. and Canada for many years. More recently, they have established fruitful relationships with meat traders in Scandinavia, the Mediterranean, the Middle and Far East.

This questing approach to international procurement and distribution is leading Eastwood Thompson further and further afield as they expand their list of contacts, fill out their portfolios of contracts. If you set high standards for your particular meat products, get in touch with Eastwood Thompson. They can arrange for you to reach the markets of the world in a mutually profitable operation. On the other side of the counter, suppliers who want guaranteed quality at a very fair price can also learn something to their advantage from the Group. So call your nearest Eastwood Thompson centre — and ask them to expand on a good deal.



e products to be used instead meat will grow.

The most immediate threat is sed by the ubiquitous soya- in, with synthetic meat eady being widely used in a eading range of products, en without the consumer n knowing or having little ice, as in school meals or sons and hospitals. Since the at Promotion funds are being ived by British farmers, the appal has naturally been ed at boosting British meat particular. But it is claimed it in reality the campaign will oosing all meat of whatever owler.

However, Scotch beef pro- ers are attempting to pro- e their own brand image; w Zealand has spent a great deal of time and effort in pro- ing its lamb, and Ireland is e making new efforts to ublish the quality of Irish e in the mind of the British usewife.

The slogan, "Great grass ekes great beef" summarises a natural advantage enjoyed Irish farmers but this is only ition of a concerted campaign

to the Irish Livestock and Meat Board concentrated mainly on the export trade. Basically Ireland is aiming at re-establishing the dominance of its beef in line with the changed circumstances since entry into the European Common Market. In the past the bulk of Ireland's best cattle was exported to Britain for "fattening" before slaughter and was then sold as English or Scottish beef. Irish beef exports tended to be concentrated in their place in the competitive U.K. market by price rather than quality. But circumstances have changed completely now. The export of beef from Ireland is now stored in cattle for export as "finishing" from Ireland comes to the fore, but at a lower rate; the best of the Irish cattle herd in Ireland has improved considerably and the introduction of modern meat production during the past two decades means that Irish beef is claimed to be as good as the best competitive product in the world. Under the guidance of the Irish Meat Board the beef export trade has been expanded enormously into many different markets worldwide, breeding research has been intensified in the slaughterhouse facilities

are some of the highest standard  
with up-to-date equipment not  
present in many British meat  
plants. Without the kind of  
incentive to spend on the British  
beef industry for national pub-  
licity, the Irish Meat Board has  
successfully concentrated on in-  
ternational promotions mainly in  
multiple stores aimed at demon-  
strating both to the public and  
the trade that the quality of  
Irish beef is more than equal  
to its rivals.

In the past it was a well-  
known practice in the trade, and  
this still goes on at present, for  
the retailers to stick a Scotch  
or English beef label on to Irish  
beef in order to obtain a  
premium price. Obviously the  
Irish heartily disapprove of this  
practice and in future want to  
insure that they get the credit  
for their own beef. Britain  
remains Ireland's most  
important beef export market  
and as a fellow member of the  
EEC the plan is for continued  
promotion to ensure that sales  
of Irish beef expand their share  
of the U.K.

## John Edwards

## John Edwards

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## STOCK EXCHANGE REPORT

# Buyers back in the market for leading equities

## Index up 5.4 at 366.6—Gold shares good with bullion

## Account Dealing Dates

Option  
First Declaration Last Account  
Dealing Dates Dealing Day  
Nov. 17 Nov. 27 Nov. 28 Dec. 9  
Dec. 1 Dec. 11 Dec. 12 Dec. 22  
Dec. 12 Dec. 23 Dec. 24 Jan. 7

\* New time "dealings may take place from 9.30 a.m. on business days earlier.

Leading equities saw more active conditions yesterday as buyers took Monday's late rally a good stage further. Sentiment was helped by reports that a large line of Imperial Chemical Industries' shares had changed hands through the market and it was noticeable that institutions left the sidelines they had occupied recently and were bidding for stock. Profit-taking towards the close and in the afternoon trade left some of the leaders a penny or two below the best, but the FT 25-share index managed to close with a gain of 5.4 at 366.6, after having been up at 3.2 on Monday. The undertone at the end was "fully firm".

The day's improved activity was reflected in official markings of 2.25 compared with 2.24 on Monday. EMI stood out following fresh favourable Press comment on the company's revolutionary X-ray scanner and, although below the best, closed with a gain of 1.7. Secondary equities often firmed in sympathy with the leaders, but were not quite the same attention by buyers. P. & S. in F. & S. closed with a little over 2.5 in F. & S. and the broad-based FT-Actuaries All-Share index gained 2.1 per cent. to 134.89.

## Long Gilt's steadier

Down to a two-year low on Monday, the Gold Mines index rebounded 10 points yesterday to 254.4 as London, Continental and U.S. demand pushed prices sharply higher. Sentiment was helped by a recovery in bullion

of \$150 to \$189.25 an ounce.

British Funds passed through a quiet phase with the short 12-months firming and the longer end steadying after the recent unsettlement. Further switching into the old "tap" Treasury 12 per cent. 1992, and into the Treasury 9 per cent. 1994, and 1992-98 stocks took place but even this failed to move the respective quotations from overnight list levels for any length of time. Reactionally hardened and then eased to close unaltered on the day. At the shorter end, indications of a further easing soon followed and quotations improved marginally in a small trade.

## Banks firm

The volume of business in the big four banks improved considerably and although closing levels were a couple of pence below the best, gains of 8 were recorded in Barclays, 298p, 344p, 240p, and National Westminster, 240p. Lloyds closed better at 252p. Bank of Scotland firmed 5 to 200p in sympathy and Bank of Ireland put on 15 to 255p. Foreigns issues were distinctly better with gains of 10 and 13 respectively recorded in Australia and New Zealand, 435p, and Standard and Chartered, 472p, following excellent trading news. Discount firms were unchanged, with Alexander's 15 to the good and 215p. In Merchant Banks, Fraser & Neave closed forward 1.5 in 11p on Press comment.

## Insurance joined in the general

help by a recovery in bullion

that a line of around 14m. shares

had changed hands.

ATV 'A' rose 4 to 66p despite

adverse Press comment.

## EMI below best

Bullish Press reports on the company's X-ray scanner helped to stimulate activity in EMI: the shares closed 6 higher at 234p, after 237p, for a two-day advance of 10. Other leading Electricals made fresh progress but tended to react later. Plessey, 80p, after 82p, and Raytheon, 74p, both ended about 3 firmer, while GEC lost an early gain of 2 to close unaltered at 140p, where, Decca "A" improved 6 to 238p, while similar improvements occurred in Chloride, 104p, Ever Ready, 102p, and B.K. Electric, 83p.

## Rural Electronics, ahead of

tomorrow's half-time results, turned

another 3 to 185p.

## Leading Stores closed harder

for choice and slightly below the

day's best. British Home Stores

new nil-paid shares closed 3

firmer at 57p premium following

a reasonable turnover.

Parade, 100p, closed up 1p, and

retailers were raised 5 to 24p.

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Photographic, 50p, put on 1p

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After 370p, ahead of today's

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of either a "split" or "rights" issue.

ICI finished a penny harder at

514p, after 512p: it was reported

while John Laing "A", 125p, Taylor

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general help by a recovery in bullion

that a line of around 14m. shares

had changed hands.

ATV 'A' rose 4 to 66p despite

adverse Press comment.

## EMI below best

Bullish Press reports on the

company's X-ray scanner helped

to stimulate activity in EMI: the

shares closed 6 higher at 234p,

after 237p, for a two-day advance

of 10. Other leading Electricals

made fresh progress but tended

to react later. Plessey, 80p, after

82p, and Raytheon, 74p, both ended

about 3 firmer, while GEC lost an

early gain of 2 to close unaltered

at 140p, where, Decca "A" improved

6 to 238p, while similar improve-

ments occurred in Chloride, 104p,

Ever Ready, 102p, and B.K. Elec-

tric, 83p.

## Rural Electronics, ahead of

tomorrow's half-time results, turned

another 3 to 185p.

## Leading Stores closed harder

for choice and slightly below the

day's best. British Home Stores

new nil-paid shares closed 3

firmer at 57p premium following

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## HOTELS—Continued

[illegible]



This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £225 per annum for each security.



## Watchdog backs reactor next step

By David Fishlock,  
Science Editor

TACIT approval has been given to the next stage of fast "breeder" reactor development in Britain by the Pollution Watchdog body, the Standing Royal Commission on Environmental Pollution.

This will be the construction of a large-scale demonstration power station, probably of 1,300 MW, based on the fast reactor—project likely to cost up to £1bn.

In a letter to the Prime Minister, published yesterday, Sir Brian Flowers, chairman of the Royal Commission, argues that Britain will be better prepared to make up its mind about the advisability of using fast reactors on a large scale if it has the experience of building and operating a commercial-size plant.

His letter stresses that the primary purpose of such a project would be to discover whether the hazards involved in a fast reactor programme in Britain "can be made acceptably small."

The Royal Commission is anxious to establish that the project should not attempt to be commercially competitive. The station should be on a remote (coastal) site, and should include its own fuel fabrication and spent fuel reprocessing facilities, to remove any risks from the transport of plutonium.

The letter also suggests that the site should be equipped with "every means of protection," including physical security systems and an armed police force.

"The extra costs associated with such a project and the inevitable price of a safe and responsible programme to assess the hazards of commercial fast reactors," it continues.

### Defect

The letter says that the Royal Commission was "concerned that such a venture might deflect this country from the search for alternative long-term sources of energy, whose potential environmental hazards might be far less than those of a fast reactor programme, and from the implementation of a vigorous policy of energy conservation."

Some official projections of long-term energy demand are so great, it says, that even if it were possible to build fast reactors fast enough, it was doubtful whether we could find enough uranium to provide them with fuel in the first place.

The underlying purpose of the letter was to ensure that no irrevocable decisions were taken about the future of the fast reactor in the U.K. before a report is prepared by the Commission.

This report will be a wide-ranging survey of nuclear energy and the public interest. The Commission had planned to complete it this year, but a government request in June 1974 that it should undertake as a matter of urgency a study of air pollution has upset its plans.

There have been indications that the Government wanted to embark on international commitments in Europe for the development of commercial fast reactors.

Sir Brian said yesterday that he believed one of the important things a large-scale demonstration project could achieve was to help build up public confidence in nuclear technology.

The Department of Energy said last night that present indications were that a first demonstration fast reactor could be ordered "around 1980." It would certainly be on a remote site, to conform with the Department's policy for any new nuclear system.

Editorial comment, Page 18

## Iran buys Rapier in £186m. deal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE IRANIAN Government is to buy the "tracked" version of the British Aircraft Corporation's Rapier low-level anti-aircraft missile system in a £186m. deal announced yesterday.

The deal, which envisages the eventual production of the Rapier missile under licence in Iran, brings the value of export orders for this weapon system to more than £400m.

Iran is already buying the conventional battlefield version of the Rapier for army and air force use, and the purchase of the latest version, which will be mounted on tracked vehicles

built in the U.S., is intended to complement its anti-aircraft missile capability.

Several other U.K. companies share in the BAC deal, including Decca, which is providing the main surveillance radar and tracking for Rapier; Barr and Stroud, supplying the optical tracking system; and Cossor, providing the "Identification Friend or Foe" (IFF) system. Marconi already provides the "blind-fire" radar system for Rapier.

The deal is regarded as a major achievement for BAC Guided Weapons Division, in the face of tough foreign competition, especially from the Franco-

German Roland surface-to-air missile.

The contracts, which will be negotiated in detail over the next few months, provide for Iran to buy completed missiles from BAC, installed on tracked vehicles of the M-548 class built by the PMC Corporation of San Jose, California.

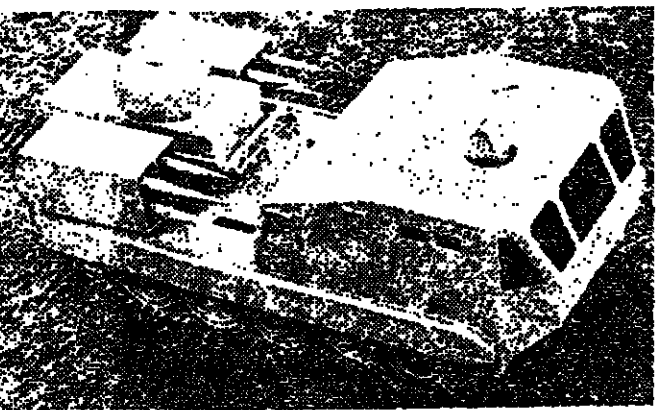
This vehicle has already been produced in large quantities (over 4,000) for use in many countries. BAC has modified it at its Filton, Bristol, factory for use with Rapier.

Eventually, the BAC will help Iran to set up a production line for Rapier missiles, both for the tracked vehicles version and the conventional air-to-air type. This will involve BAC in training technicians and providing other assistance to Iran.

The latest deal is regarded as a major breakthrough for Rapier, with the prospect of substantial further orders from other countries interested in the missile.

Sir Kenneth Keith, Rolls-Royce (1971) chairman, is expected to visit Tehran soon for further discussions over a possible order for the Spey jet engine.

The Chinese are interested in building the engine under licence to enable them to develop their own aero-engine capability, and are believed to be satisfied with the Spey's specifications.



Model version of the Rapier air defence system.

## Frankfurt court freezes Nigerian bank's assets

BY GUY HAWTIN

FRANKFURT, Dec. 2.

A FRANKFURT civil court today took the unusual step of freezing the assets of the Nigerian Central Bank held by the Deutsche Bank here. It is understood that the sum involved is around \$12m. The money will be held pending settlement of a \$400m. claim against the bank in connection with Nigeria's embargement of cement deliveries.

But banking circles in Frankfurt believe that had the action, which started early in November, taken place just a few days before, a much larger sum could have been involved. It is understood that the Nigerians paid some DM600m out of the Deutsche Bank account in a normal business transaction with a leading foreign bank here shortly before the interim injunction was granted.

The case is understood to be an unusual one in that the Nigerians argued that the assets of their central bank were immune from such actions—in exactly the same way as embassy property. This, the court ruled, was not so in the case of the Nigerian Central Bank which, it had earlier been argued, had operated as a business in that it issued letters of credit and settled commercial accounts.

Further cause for controversy is the untested fact that the deal from which the claim has resulted was concluded outside the Federal Republic of Germany. The contract was signed in Vienna, although payment was to be made against an irrevocable letter of credit, issued by the Central Bank of Nigeria, to be drawn against its Frankfurt account with the Deutsche Bank.

It seems certain that the Nigerians will appeal against the Frankfurt Court's decision, but until then the assets remain frozen. Among the aspects of the case that will be contested is the application of paragraph 23 of the West German code of civil procedure, which states that assets held in West Germany can be seized to pay a debt arising from transactions in third countries.

This paragraph is regarded as rather controversial by some lawyers here as it makes no distinction as to the ownership of the assets—whether they belong to foreigners or West Germans. Indeed, there could be important implications in the case for overseas concerns operating in the Federal Republic.

The application for the injunction was made by Yusef Nada Establishments, a Liechtenstein-registered concern which oper-

ates out of many important business centres including Vienna. The case appears to have arisen because of Lagos Harbour's inability to handle the vast quantities of cement ordered for development projects, many of them in the public sector.

Nada Establishments claims that some 140,000 tons of cement were shipped of the Nigerians order while a further 100,000 tons were sold to third parties at well below the contract price following a Nigerian cable suspending shipments.

A total of 17 ships were despatched of which, by November 21 only seven had been unloaded. Nine were still awaiting unloading to begin while the remaining ship was languishing at the bottom of Lagos Harbour following a collision. Nada Establishments is seeking compensation for demurrage charges for the vessels' waiting time—the concern alleges unloading could take up to 350 days and for losses on the sale of the suspended 100,000 tons of cement.

Apart from the issues of immunity and jurisdiction, the Nigerians are understood to be contesting the size of the damages as well as the likely length of the unloading delays. They claim unloading should take 150 days.

## Air shake-up needed—Varley

BY PHILIP RAWSTORNE

A RADICAL re-organisation of the aircraft industry after nationalisation was foreshadowed in the Commons yesterday by Mr. Eric Varley, Secretary for Industry.

"A sensible planned reduction of capacity in full cooperation with the unions and over a period of time will almost certainly be necessary," he declared.

Mr. Varley, accused by Mr. Michael Heseltine, the Tory industry spokesman, of planning the "run-down" of the industry, refused to predict the eventual

size of the labour force after re-organisation.

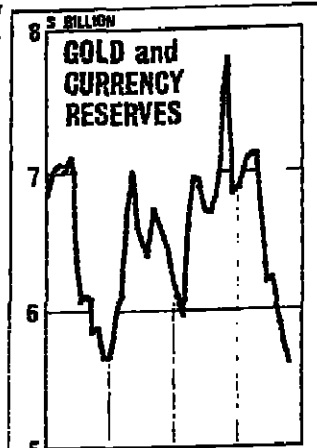
Opening the Commons debate on the Government Bill to nationalise both the aircraft and the shipbuilding industries, Mr. Varley said that the unified control of public ownership was now vital if the industries were to continue to compete in world markets.

Amalgamation of the two main aircraft groups, Hawker Siddeley and the British Aircraft Corporation, was urgent and long overdue.

"We are absolutely convinced that the merger will provide greater opportunities for doing the same things more efficiently, more cheaply and for selling more British goods abroad."

Public ownership was now the only means of saving the shipbuilding industry, Mr. Varley added. The industry, suffering from outdated facilities, bad labour relations, low investment and productivity, and lack of co-ordination could not match the power of its foreign competitors.

Parliament, Page 16



## \$107m. fall in official reserves last month

By Michael Blandon

THE U.K.'s official reserves fell by another \$107m. during November, bringing the drop in the past seven months to \$1.5bn.

At the end of the month, reserves stood at \$28.6bn. The fall was recorded after further public sector foreign currency borrowings under the exchange cover scheme totalling \$176m., including \$61m. of loans by the European Coal and Steel Community to the National Coal Board and British Steel Corporation, and \$15m. from the European Investment Bank for the National Water Council.

The extent of the drop reflects a month in which the pound lost ground in foreign exchanges, mainly as a result of the improvement in the position of the dollar. It is not possible to relate the reserve figures directly to actual support by the Bank of England during the month, since they are affected by other factors.

Nevertheless, it was felt in exchange markets that the figures might suggest there had been rather more official intervention to steady the decline in sterling than had been apparent.

The general improvement in the dollar, reflecting both the U.S. economic situation and the solution to New York's problems left the pound weaker at \$2.0205 at the end of the month, down on the month by 5.5 cents.

Average depreciation from December 1974 levels widened during the month from 29.2 per cent. to 30.2 per cent. yesterday after touching 30.3 per cent. at one stage. Against the dollar it was five points lower at \$2.0205.

This month it is expected that the further \$400m. loan remaining in the National Water Council will be drawn, boosting reserves in a period when over \$200m. of long-term post-war debt service will have to be met.

Drawings have not been made on the \$2bn. facility from the International Monetary Fund announced last month.

## Closed shop test case

By Our Labour Staff

A TEST case of the present closed shop law, which the Government is attempting to tighten against fierce Parliamentary opposition, will come before an industrial tribunal in Leeds today.

The case involves six members of the small Electricity Supply Union dismissed from their jobs at Ferrybridge power station, Yorkshire, for refusing to join one of the four recognised unions in the industry's closed shop agreement. The tribunal will have to decide whether the men were fairly dismissed.

Yesterday Mr. Michael Foot, Employment Secretary, attacked Press reports on the dispute as "grotesque misrepresentations."

## Uncertainties at Swan Hunter

After taking into account £3m. of shipbuilding construction grants, the Swan Hunter Group expects to produce profits in 1975, and to have a net cash balance in the bank at the year end. The interim dividend has been increased, and the hope is that an annual payment costing just over £1m. will be covered. But contrary to its usual practice, the group is not producing interim figures. Swan Maritime's options on 13 ships have yet to be confirmed or cancelled and it is not clear whether any cancellation payments would cover costs incurred to date. In addition, the future of the Tyne Pride, a 250,000 ton tanker currently at the fitting out stage, is still undecided, and although £230m. of vessels are currently under construction (more than a year ago) firm commitments thereafter amount to just £30m.

These certainly count as special circumstances. The only surprising feature is that the decision to publish no figures was not, apparently, taken with Stock Exchange approval.

As far as overall profits are concerned, Swan Maritime is certain to miss the forecast of a maintained contribution to associates this year. The ship-repairing side will probably slip back on 1974's very strong performance, and net interest receipts will also be lower. The group emphasises that it has not asked for financial assistance from the Government, but unless orders pick up in the near future it now seems unlikely that it will quarrel violently with the proposed compensation terms. So although the shares yield over 16 per cent. at 55p, the discount of around two-fifths on the compensation price seems appropriate.

The former Charterred managed to keep its growth record intact last year, unlike many banks, and after six months of 1975-76 it is 9½ per cent. ahead at £46.7m. pre-tax. The fall in the value of sterling has boosted this figure, and with three-quarters of total assets overseas this has also affected the rate of increase in advances—which seems to have been maintained at very roughly the 15 per cent. rate of 1974-75. The former Standard group interests in Africa, over a half of pre-tax profits, are again well up with Nigeria and South Africa particularly strong.

For the full-year, the main question is whether any further pension and bad debt provisions (totalling £16.7m. last year) will be necessary, but no particular problems have appeared so far. In the absence of these items, the full-year total could approach £95m., against £71.1m. after last year's provisions, for a near doubling of earnings per share since 1970-71. These strengths have been reflected in a firm two year relative share price performance. This has been less marked recently and the prospective yield is 16 per cent. of 373p.

See also Page 22

## Standard Charterred

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## Ranks Hovis

Ranks Hovis' profits before interest for 1974-75 are £9.8m. higher; within that baking has been hard pushed to do little more than break-even against £4m. of profits previously, so outside bread the group has managed some impressive growth. The dividend has gone up, but the pattern of interest costs over the year points to only a limited reduction in group debt.

Pre-tax profits are up from £22.8m. to £30.2m., and £23m. of its concern.

## Weather

U.K. TO-DAY

A COLD northerly airstream covers the British Isles and most places will have showers.

N. Wales, N.W. and Northern Ireland, England, Lakes, N.E. England, Borders, Edinburgh, Dundee, Aberdeen.

Showers, occasionally prolonged, with snow on high ground. Strong to gale winds. Max. 4C (39F).

Isle of Man, S.W. Scotland, Argyll, N. Ireland. Showers with snow on high ground. Winds northerly strong to gale. Max. 5C (41F).

Outlook: Mostly dry. Lighting-up: London 16.24, Manchester 16.24, Glasgow 16.18, Belfast 16.52.

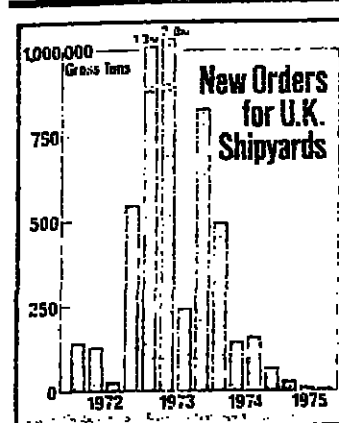
## BUSINESS CENTRES

	Y'day			Y'day	
	F	G		F	G
Amsterdam	10	10	Madrid	7	7
Algiers	10	10	Mexico C.	19	19
Antwerp	10	10	Montreal	8	8
Bahra	17	17	Moscow	2	2
Barcelona	17	17	New York	11	11
Bombay	17	17	Osaka	2	2
Brexit	17	17	Seoul	2	2
Buenos Aires	17	17	Singapore	2	2
Calcutta	17	17	Taipei	2	2
Canton	17	17	Tokyo	2	2
Cebu	17	17	Yokohama	2	2
Colon	17	17			
Hankow	17	17			
Hong Kong	17	17			
Kobe	17	17			
London	17	17			
Lyons	17	17			
Manila	17	17			
Medan	17	17			
Shanghai	17	17			
Singapore	17	17			
Sourabaya	17	17			
Tientsin	17	17			
Yokohama	17	17			

## HOLIDAY RESORTS

Jacinto	S	16	11	Jersey	S	10	50
Algers	S	15	41	Las Palmas	S	20	00
Alariz	C	13	28	Locarno	S	5	41
Blackpool	C	13	43	Malorca	S	16	01
Bombay	S	15	41	Melbourne	S	19	44
Bondures	S	8	8	Mexico C.	S	19	44
Calcutta	S	10	61	Montreal	C	21	70
Canton	S	16	70	Moscow	C	13	34
Cebu	F	16	61	New York	S	11	27
Dubrovnik	F	16	61	Osaka	F	2	31
Funchal	C	14	37	Seoul	F	2	31
Guernsey	C	15	07	Singapore	F	2	31
Hankow	S	16	61	Taipei	F	2	31
Hong Kong	S	16	61	Tokyo	F	2	31
Ilfracombe	S	16	61	Yokohama	F	2	31
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## Index rose 5.4 to 366.6



the latter has reported a rise of over a fifth even after taking account of the Rand devaluation.

The former Charterred side in Asia has been more affected by the recession and growth in the Far East has been slower than before. Back in the U.K.—possibly around a fifth of profits last year—the main feature is the start of a recovery at H-ge, where profits last year fell to about a quarter of the 1972-73 total—the last year before acquisition.

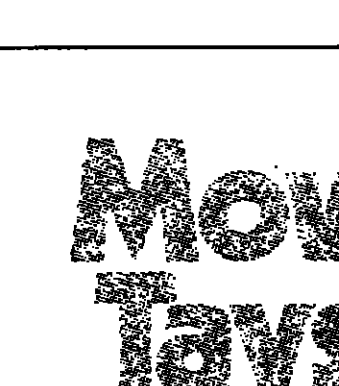
For the full-year, the main question is whether any further pension and bad debt provisions (totalling £16.7m. last year) will be necessary, but no particular problems have appeared so far. In the absence of these items, the full-year total could approach £95m., against £71.1m. after last year's provisions, for a near doubling of earnings per share since 1970-71. These strengths have been reflected in a firm two year relative share price performance. This has been less marked recently and the prospective yield is 16 per cent. of 373p.

## Panel

H. Weidmann triggered mandatory bid provisions of Code when it bought more 1 per cent. of E. S. and Whiteley in 1974-75, taking stake up to 33 per cent. Panel now ruled that this "very special case," that a need not be made and that the Panel has problems overseas bidders. But the session that it may have influenced by the possibility of the transfer of control over is surprising since this is of its concern.

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## Wilson meets consultants' leaders to-day

BY STEWART DALBY AND CHRISTIAN TYLER

LEADERS of the two rival hospital consultants' organisations are to meet Mr. Harold Wilson, the Prime Minister, and Mr. Barbara Castle, the Social Services Secretary, this morning to discuss the worsening situation in the hospital service.

Consultants, who are upset over the Government's intention to legislate private practice out of Health Service hospitals, were invited at the last minute to join a meeting, already planned for today between the Prime Minister and Sir Rodney Smith, president of the Royal College of Surgeons.

Official industrial action by consultants in protest at the legislation was due to start on Monday, but so far hospitals in most areas have reported little enthusiasm for the ban on all work except emergencies.

Disruption to hospitals, which grew worse yesterday, is due mainly to industrial action by junior hospital doctors over the quite separate issue of their overtime pay.

As hospitals struggled to re-arrange services, the Patients' Association said it had received

many complaints from people in pain whose treatment had been delayed. There were no reports of emergencies being left unattended.

The situation also prompted the Confederation of Health Service Unions to call on Mrs. Castle to declare a "state of emergency" in the NHS and allocate scarce resources to NHS patients.

"We believe that the NHS patients are being neglected," the union said. "In the junior doctors' overtime pay dispute, first soundings were taken yesterday on a new attempt to reconcile the juniors' claim that their demands can be met without breaking the pay policy with the Government's insistence that they cannot."

A British Medical Association spokesman visited the Office of Manpower Economics, which services the doctors and dentists pay review body, to prepare for a full meeting in several days' time.

Dr. David Wardle, the junior doctors' leader, said new overtime figures being collected by doctors showed the overtime pay bill of £12m. was a great underestimate. He was confident that

a solution to the dispute could be found.

There will be a separate meeting to-day on the same issue between the Department of Health officials and members of the break-away Junior Hospital Doctors' Association, which is not represented on the junior doctors' national committee.

Junior doctors will not be represented at the Downing Street talks to-day, when discussion is expected to centre on patients' safety and the private practice controversy.

The Prime Minister will clearly hope to build on consultants' reluctance to take action and urge their leaders to withdraw the sanctions, leaving the issue to be debated in Parliament. He is unlikely to meet their demand that the issue be referred to the Royal Commission set up to investigate the NHS, since that would delay legislation indefinitely and possibly bring violent reaction from hospital manual workers.

In this he will be helped by the presence at the talks of the consultants' breakaway body, the Hospital Consultants and Special-

ists Association, which does not favour the emergency-only ban recommended by the BMA.

Meanwhile, the pattern of industrial action remained confused.

In Bournemouth, Southampton and some hospitals in the Liverpool area consultants opted to work a 40-hour week. But in most places groups of consultants remained